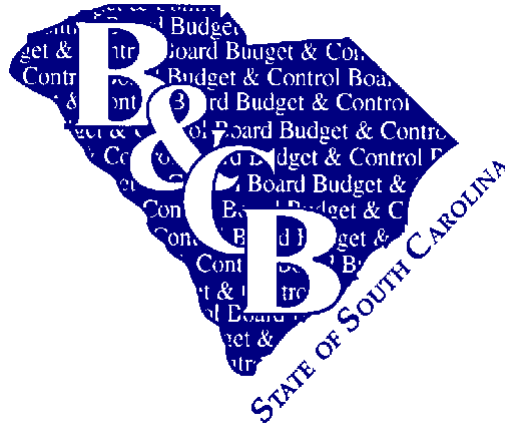


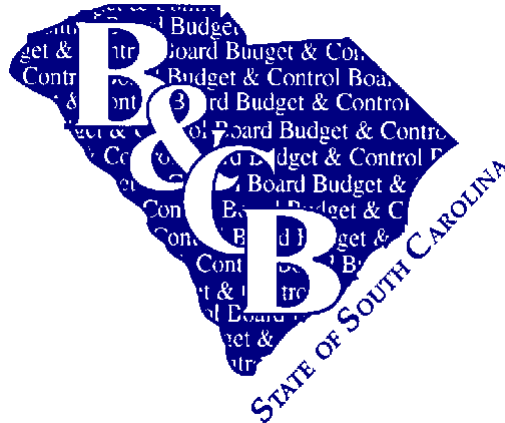
Accountability Report



State Budget and Control Board

1999-2000

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Executive Summary

The South Carolina State Budget and Control Board is unique among state agencies, both within this state and nationally, combining portions of both the legislative and executive functions of government under one authority. The five member board is comprised of the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the State Treasurer, and the State Comptroller. This Board provides for a continuum of executive and legislative oversight when the General Assembly is out of session.

The Office of Executive Director serves as the primary link between the divisions of the Board and the five member body. The staff serves as the focal point for the Board's public information efforts, monitors legislation with potential impact on Board operations and provides leadership in a number of diverse areas such as the state budgetary process, health care reform and educational issues. It provides general governmental support to state agencies and other political subdivisions.

The focus of the organization this year has been to consolidate the various divisions and offices of the Board into a seamlessly integrated, focused, and fully functional organization with a common set of goals and objectives. To this end, the Office of the Executive Director has commenced a strategic planning effort using the services of the University of South Carolina's Institute for Public Affairs for facilitation. The goals derived from this activity are being transformed into concrete objectives via the accountability process and are summarized in this report.

The Board is using the principles of the Malcolm Baldrige National Quality Award to guide these efforts. For the first time, the Board used a uniform customer satisfaction survey to evaluate how well it is responding to the needs of its many diverse customers. The initial results are heartening; progress over time will be tracked annually. In addition, process improvement teams are being used to address the needs of internal customers. The information gained from these efforts is informing senior management regarding which of numerous possible management options should be followed. The Board's goal is to ground organizational change efforts in the principles of strategic planning, continuous improvement, and performance measurement.

The Board provided leadership for several important initiatives this year. The data processing functions of six of eleven agencies have been incorporated into the new Consolidated Data Center, yielding substantial cost savings. Both employee and employer contributions to the State Health Plan have been held to less than the national average for similar coverage. Recruiting efforts for hard to fill technical and medical positions have been enhanced through a Board-sponsored State Career Fair. Address mapping in support of the statewide 911 emergency response effort is in process in all 46 counties. Improvements in the administration of the Retirement System have resulted in all new retirees receiving their first check within 30 days of their retirement. Local government infrastructure disbursements exceeded \$45 million and new loans exceeding \$66 million were closed, both in support of water and sewer projects. Energy savings in public buildings increased by 10 percent this year for \$3.3 million in energy savings.

Executive Summary

This report is organized around the seven criteria of the Malcolm Baldrige Award. Business results for each Office of the Board are reported by program area within the context of Baldrige Criterion Seven.

The Baldrige Criteria provide a strategic framework to help the Board improve organizational performance practices and capabilities, to facilitate sharing and communication of best practices information, and to serve as working tools for understanding and managing performance, planning and training. The Board's focus is on enhancing value to customers by improving services, reducing errors, defects and waste, improving responsiveness, improving effectiveness in the use of resources, and setting the standard in leadership performance as a role model.

Achieving performance improvements requires a strong future orientation and a willingness to make long term commitments to employees and customers. It requires planning for technological improvements, changing customer needs, and evolving expectations. Decisions must be based on reliable information, data and analysis. Data needed for improvements are of many types including customer and service performance, competitive comparisons via benchmarking, and attention to cost analyses and financial trends.

This Accountability Report is representative of the management information necessary to meet these requirements. It is an evolving document which will be revised annually as the goals, objectives and results of the Board change to meet customer requirements and the results of continuous improvements raise the bar of excellence for the organization.

Mission

The South Carolina Budget and Control Board leads state government and its political subdivisions in maximizing the return on South Carolina's investments made in human, fiscal, capital and technological resources entrusted to government. The Board fulfills its mission by:

- Providing centralized support services to government agencies and employees;
- Establishing policies and direction and providing oversight to foster effective government;
- Providing information, expertise and consultation to support decision-making; and
- Providing services to employees in the development of the public sector workforce.

Vision

The vision of the Budget and Control Board is to become the national benchmark for effectiveness in the administration and delivery of state governmental services. Our vision is built on the **Core Values** of:

- **Professional Competence**

We expect of ourselves the highest standards of performance reflecting our commitment to excellence.

- **Personal Integrity**

We accept personal integrity and ethical behavior as intrinsic parts of our job performance.

- **Group Success**

We believe in teamwork and that the success of any part of the organization is a success for the entire organization.

Conversely, the success of the organization is the result and reflection of the individuals who are part of the team.

Group success is built on an environment of *employee well-being* which promotes the recruitment and retention of the highest quality employees.

- **Quality Work Product**

The outcomes of our work are products which are consistently superior. They establish for us an identification of excellence in all that we do.

- **Dedication to Service**

The way we serve our customers conveys our commitment to professionalism, excellence and moral behavior. *Customer satisfaction* is our hallmark.

By serving agencies well, we enhance their ability to provide quality services to the citizens of South Carolina.

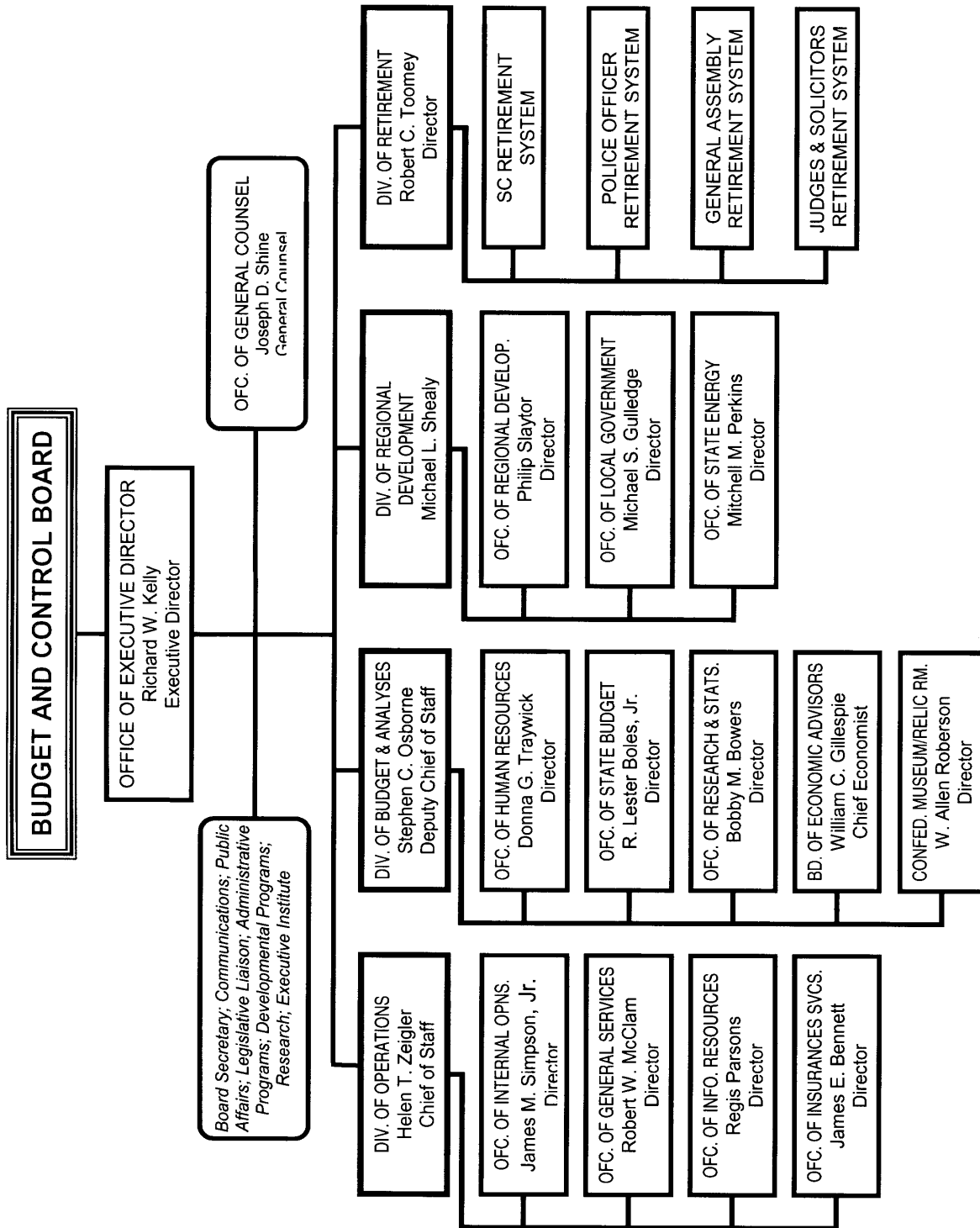
- **Dependability**

Our work is thorough and reliable; those we serve have confidence that our service and products can be trusted.

- **Change**

We accept change as part of our daily working environment by adapting not only to changing technologies and opportunities, but also to changing needs of those we serve.

Organizational Chart



Leadership

Organizational Leadership

The Executive Leadership Team of the Budget and Control Board is comprised of the Executive Director, Division Directors and the General Counsel. This team is a critical link to the thirteen Office Directors who provide direct leadership for each of the functional areas of the Board.

The environment of the meetings of the team is one in which there is open communication and mutual contribution toward achieving the mission of the Board. The goal is to lead by example through establishing a standard of excellence to which all are held accountable. A strategic focus on personal and professional development and quality initiatives encourages an environment in which there is increased interaction between management and employees, fostering a more positive attitude for service.

The meeting schedule and focus of the team serves to set strategy goals and resolve stakeholder issues. The identification and resolution of potential problems that affect stakeholders are top priorities. The team's members ensure that information is quickly passed to Office Directors who, in turn, are responsible for transmitting it to the Board's individual employees. The proactive posture of the team has proven to be one of its greatest assets.

The Board's leaders have been trained in principles of continuous improvement, strategic planning and the Baldrige criteria. This provides them a methodology whereby they can communicate "the big picture" to all employees and encourage them to recommend improvements to the many processes used by the Board to deliver its varied services.

The Board's role in leadership training and development includes sponsorship of the South Carolina Executive Institute for senior leaders throughout state government, the Certified Manager Program for mid-level managers desiring to acquire additional managerial techniques, the Associate Public Manager Program for more junior employees who wish to prepare themselves for increased responsibilities, and the Excel program for top operational performers who have been identified as having strong potential for taking on significantly enhanced roles. The Board also conducts a mentoring program in which developing managers are matched one-on-one with senior leaders. Additionally, employees are given the opportunity to attend in-house training courses such as Steven Covey's Seven Habits of Highly Effective People, The Four Roles of Leadership, and What Matters Most. Other available courses include the Zenger Miller Front Line Leadership series, Introduction to Continuous Improvement, and Teamwork. Also, the Office of Human Resources is in the final stages of developing a comprehensive leadership training curriculum which addresses each portion of the Malcolm Baldrige criteria.

Each Office enhances direct leadership through additional programs such as the organizational culture evaluation conducted by the Office of Retirement Systems wherein group meetings and interviews were held with all employees. This has informed the

Leadership

leadership that more emphasis on achievement and support, and less on policies and procedures will enhance leadership effectiveness and increase productivity. Another example is the Strategic Development Council established by The Office of Information Resources to support a move from a centralized budgeting process to a more decentralized approach. This gives managers the information they need to make decisions that are both technologically sound and financially prudent. Each Office is encouraged to tailor leadership initiatives to its specific needs.

Public Responsibility and Citizenship

This section also addresses the public responsibility and citizenship efforts of the agency. The Budget and Control Board actively encourages employee involvement in civic and charitable enterprises. The numerous activities include The United Way, Salvation Army and the Harvest Hope Food Bank. Each year the collections of food, money and gifts increase as the challenge to “make a difference” increases. The community-at-large receives the benefits of our employees’ giving spirit through service with church boards, Girl and Boy Scouts, National Guard and Reserves, Red Cross and other health oriented organizations. Many are volunteer participants in a formal disaster management process designed to staff the Emergency Preparedness Centers and a Donated Resources Control Center.

Employees of the Board have access to numerous health programs. A newsletter is published annually entitled, “Prevention Partners Avenues.” It is published quarterly and addresses day-to-day issues in health that relate to all employees.

The Spring Wellness Walk is designed to improve employee morale and make fitness fun. All employees are encouraged to participate.

The annual United Way campaign is a yearly fund drive that is most visible during the Christmas season. The Habitat for Humanity’s Payroll Deduction Campaign has also been made a part of the overall volunteer program.

We feel it is our responsibility and our privilege as an organization to strengthen our resources and share them with the larger communities of which we are a part. We achieve this by contributing financially and through proactive volunteerism.

Customer Focus

Customer and Market Knowledge

This section describes how we determine requirements, expectations and preferences of our customers and markets. The Budget and Control Board concentrates on understanding both short-term and long-term customer needs and expectations. The Board's evolving strategic plan focuses on identifying and responding to the needs of all stakeholders: legislators, other state agencies, employees, local governmental units, vendors and the general public. A variety of methods are used to determine their needs and expectations. They include:

- Written surveys
- Focus groups
- Telephone and written correspondence
- Participation in public forums
- Monitoring of legislative activity
- Interviews
- Sponsored conferences
- Workshops
- Web pages and on-line communications

A substantial number of staff are dedicated to the direct delivery of services to customers. For example, 75 percent of the staff of the Division of Retirement Services have full-time jobs in direct service delivery to over 354,000 member accounts and over 71,000 retirement accounts. This year, they responded to over 135,000 telephone inquiries and over 12,000 visitors. Customer satisfaction surveys indicate that satisfaction with these services exceeds 90 percent.

The State Energy Office upholds its customer focus by maintaining a very user-friendly and detailed Web Page that provides downloadable copies of all publications published by the Office, a calendar of upcoming energy-related events, and other services provided by the Office. In addition, it is involved with the Association of South Carolina Energy Managers, providing widespread contact with its customer base.

The Office of Local Government maintains a close relationship with its customers through their numerous presentations and consulting visits throughout the year. It stays abreast of customer needs through participation in professional and technical societies, through involvement with university and college educational initiatives, and through service on various steering committees and panels. The Federal Inspector General recently recognized the Office as a "Best Practice" program to serve as a model for other states to emulate.

The Office of General Services responds to many customers who have the option to obtain services from other sources, including the private sector. Their customers make choices on the basis of their perceptions of quality, service and value. The employees of General Services realize that they are in competition for market share and have

Customer Focus

established goals that include customer satisfaction, cost-effective service delivery and customer retention. They recognize the need to deliver added value to their customers and listen closely to the “voice of the customer.” For example, State Fleet Management provides a toll-free number through which customers can report vehicle repair needs. Facilities Management and the Materials Management Office use their Internet homepage for electronic access. The Surplus Property Office uses quality assurance questionnaires for customer feedback.

Within the Office of Research and Statistics, the Digital Cartography section surveys its customers annually, then periodically follows up with Email surveys of particular customers to identify areas for improvement in Geographical Information Systems technology and training, and other agency products. The Health and Demographic Statistics Section formally surveys its customers annually and maintains its Web Page for on-line communications.

For the Board of Economic Advisors, one staff member has the full-time responsibility for tracking requests, acting as senior liaison, and following proceedings so as to provide advice on priorities and emerging issues. There are detailed instructions and procedures to ensure that customers receive the information they request. The status of all requests is summarized at weekly meetings. The group also maintains a database of requests for revenue impact statements and subsequent response actions to ensure that legislative customers are apprised of their requests.

The Office of Information Resources puts its customer focus philosophy into practice in several ways. First, it has customer services staff that meet regularly with customer agencies to identify changing needs, to offer technology solutions, and to plan and assist in implementing those solutions. Second, the Office hosts an annual conference for its customers to discuss new services. Third, the Office annually conducts a customer satisfaction survey to evaluate the services it provides.

Customer Satisfaction and Relationships

Customer feedback is critical to the Board’s commitment to the highest levels of customer service quality. Commencing in FY 1999-2000, the Board has begun to survey all of its customers during the fourth quarter of each fiscal year.

In the past, several Offices surveyed their customers at various times throughout the year; however, there was little uniformity in the questions asked, making comparisons across Offices difficult. Other Offices did not survey customers at all. This uncoordinated effort, while commendable in its intention, resulted in some of the Board’s customers being swamped by surveys while others were never contacted. The end result was confusing and not representative of the Board as a whole.

In response to these problems, the Executive Management Team decided to create a one-page survey using standardized questions derived from current private sector and

Customer Focus

academic practices. These questions were to be asked of all customers. Additionally, the Offices were given the opportunity to insert additional questions on the back of the one page survey, addressing particular, unique functions.

The ten questions of the survey capture five dimensions of customer concerns that are common to all customers, whether in the public or private sector and whether the interaction is product-oriented or service-oriented. They are:

- **Reliability:** The ability to perform the promised service dependably and accurately.
- **Responsiveness:** The willingness to help customers and provide prompt service.
- **Empathy:** Caring, individualized attention.
- **Assurance:** Employees are knowledgeable and courteous and are able to convey trust and confidence.
- **Tangibles:** Physical appearance of facilities, equipment, people.

The results of the first annual survey are included in the business results section for each office.

Strategic Planning

Strategy Development

This section describes the Board's strategy development process; how we develop strategic objectives, action plans and related human resource plans, as well as how our plans are deployed and performance is tracked. The Executive Leadership Team has determined to do a Board-wide plan using the U.S.C. Center for Governance to facilitate the effort. This will come to fruition in November, 2000. Formerly, each Office had been requested to develop its own strategic plan under the overall guidance of the Board's mission, vision and values.

Several Offices had strategic plans. Both the Office of Information Resources and the Office of General Services used the services of the Center for Governance to assist in creating their strategic plans. The Division of Retirement Systems, upon its integration into the Board in 1996, used that opportunity to redirect its efforts through a comprehensive planning process.

The new leadership of Retirement Systems desired to evaluate the Division's key business drivers, financial and operational performance indicators, and customer expectations. They chose to familiarize themselves with both substantive and cultural issues facing the organization, ensuring that all divisional goals and objectives served to further the guiding mission of the Office and the Board. The resulting foundational goals and objectives included a commitment to improve the efficiency and effectiveness of services, to assist other government agencies, to improve technological initiatives, and to be a role model for organizational development. From this beginning, strategic goals were developed by the Division's directors, executive managers and senior staff to better execute the Office's mission.

The Office of General Services formed a task force to implement a systematic and integrated strategic planning effort. Each of the Office's six business sections developed objectives to support the strategic goals of the Office. The resulting strategic planning model flowed from the mission of the Board to the vision and mission of General Services to the objectives of the business sections to the objectives of the individual service teams. Performance measures, key business drivers and action plans were developed to translate these objectives into work structures.

The essence of this planning process is captured in the Office's annual internal Accountability Report. Annually, each business section presents to the Office Director its accountability report outlining the previous year's performance. From this presentation, the executive leadership discusses strategic initiatives that guide the next period's planning process. From this, team goals and objectives are realigned with the overall organizational strategic plan.

The Office of Information Resources used a similar process to develop and then update its strategic plan. It focused on three strategic goals: (1) to design and enhance a statewide integrated voice, video and data network capable of supporting the technology

Strategic Planning

applications of its customers, (2) to establish and maintain a consolidated data center, and (3) to facilitate the design and implementation of Web-based technologies to promote citizen access and government efficiency. These goals are firmly rooted in the Office's strategic plan.

Strategy Deployment

These Offices have identified sets of strategic goals, key performance requirements and measures, overall resource requirements and action plans. For Retirement Systems, these include:

1. To establish a State Retirement Systems Investment Panel to diversify the investment allocation of trust assets.
2. To ensure that Retirement Systems continue to offer competitive yet affordable retirement benefits to its membership. These benefits are comparable to other large public benefit plans.
3. To reform and simplify service purchase while maintaining the financial integrity of the system.
4. To benchmark the Retirement Systems plans against those of other states.
5. To assess alternative benefit plan features such as the Optional Retirement Plan for teachers that allows for portability of benefits.
6. To discover and implement process improvements which will allow more efficiency in the execution of service delivery.
7. To demonstrate renewed commitment to human resources development programs.

For the Office of Information Resources, these include:

1. To exercise a prominent leadership role in the use of technology in government.
2. To enhance the information infrastructure provided by the Office to its customers, thus strengthening the Office's revenue base.
3. To increase the ability to communicate information between and among governmental agencies.
4. To simplify and increase citizen access to government information.
5. To assist government in making technology decisions that could have long term consequences.
6. To provide a comprehensive security system for electronic data.
7. To focus on customer service as a high priority.
8. To prepare for use of electronic commerce.
9. To maintain and enhance the technical capabilities of the Office staff.

For the Office of General Services, these include:

1. To provide and maintain information systems that support the services provided by the Office.

Strategic Planning

2. To employ and develop a workforce that possesses all of the professional qualifications needed to provide quality services and facilitate growth.
3. To provide continuous improvement in the services provided.
4. To plan, develop, implement and check flexible business strategies for long-term competitive success.
5. To increase customer confidence in and satisfaction with the services provided.

The strategic plan now being developed will incorporate the work these offices have already accomplished and will build on their successes. Strategic planning is an essential management tool. The Board is constantly challenged to manage complex and changing programs with limited resources, to focus on achieving results and to stretch those results each year so that work is performed better and faster. Through the use of strategic planning, the Board can better focus on the efficiency and effectiveness of its operations, intelligently allocating resources and discovering opportunities for process improvements.

Information and Analysis

Measurement of Organizational Performance

This section describes our performance measurement system and how we analyze performance data and information. The truest measure of an organization's performance is the degree to which it responds to customer needs. These needs center about the dimensions of responsiveness, reliability, empathy, quality assurance and the physical appearance of facilities, equipment and people. The performance-based measurement system being developed by the Budget and Control Board responds to these needs.

The measurement system is being designed to provide quantitative management goals at all levels of the Board and to integrate them with budgetary requests, financial performance, staffing levels, and performance measures of efficiency and effectiveness. These measures will be, and in some instances, are now being used to evaluate managerial performance via EPMS. Two hundred ninety-four measures were initially identified. These are being refined and prioritized as applicable to specific work teams, to specific Offices or as Board-wide performance measures. Measures are or will be collected daily, weekly, quarterly or annually as appropriate and used to inform managerial decision-making.

A specialist in organizational development, performance measurement and data analysis has been assigned within the Executive Office of the Board to oversee this effort and to work with all elements of the Board to develop appropriate measures. This developmental activity is integrally interwoven into the Board's effort to develop a comprehensive strategic plan, unifying all elements of the organization into one entity. The Baldrige criteria guide the development effort.

A "balanced scorecard" of performance measures such as cycle time, cost effectiveness and customer satisfaction are being used as process yardsticks. Teams are encouraged to develop strategies on how to reduce cycle time to provide faster, higher quality services and improve customer satisfaction. Workload measures such as the quantity of work performed, the value of services provided, or response time to customer requests are being tracked over time to observe trends which may point to areas for process improvement

Outcome measures, or measures of effectiveness are being developed to respond to the "So what?" question, i.e., did the service provided make a measurable difference? How satisfied was the customer? Did the service do what it was intended to do?

Information and Analysis

Analysis of Organizational Performance

Teams are using benchmarks from the private sector, other similar governmental organizations and our own prior performance.

Analysis of financial and market-related performance is expected to produce a basis for measuring and comparing trends for improvement. Comparison of workload measures with past or expected performance allows teams to make ongoing adjustments to their processes and provides real-time checks and balances which can be used to improve services. Through comparative analysis, management teams can review and assess departmental productivity in relation to the productivity of individual staff members and process problems before they become critical.

As with any goal or performance measure, the reality of the measure is to perform at a level that exceeds it. Teams are encouraged to constantly reevaluate goals and adjust them as technology or other changes in the teams' environments allow them to improve service levels. A team can reach its optimal level of performance based on the current method of measurement. When this occurs, teams are then encouraged to consider new methods for performing tasks and measuring those tasks. The planning for and execution of new methods allow teams to continually search for better ways to accomplish their goals.

This is a new environment for the Board as a whole. Certain portions of the Board such as the Office of General Services and the Division of Retirement Systems started the process of performance measurement some time ago. Other Offices are just now beginning to come to terms with this requirement. Year 2000 is appropriate as the year in which the entirety of the Board commences this important effort.

Human Resource Focus

Work Systems

This section describes how we enable employees to develop and utilize their full potential to support our objectives. It also describes our efforts to build and maintain a work environment conducive to performance excellence, full participation and personal and organizational growth. The Executive Management Team recognizes the need to develop a labor force of talented individuals capable of carrying out organizational commitments in an ever-changing environment. The Board is committed to developing innovative programs that foster individual growth for employees, target internal staff for advancement, and aid in creating a diverse workforce.

Due to the variety of Board employment opportunities and the wide range of required professional qualifications, this responsibility has been delegated in large measure to the Office Directors. However, a Board-wide Diversity Team has been chartered to recommend policies aimed at enhancing this area, and another Board-wide team has been chartered to focus on measures to improve the physical work environment. Human resources policy is established by the Executive Management Team, disseminated to the Office Directors and facilitated through the Office of Internal Operations. Human resource specialists work with the Offices to develop specific programs that respond to the individual needs of each while maintaining an overall unity of purpose for the Board.

Each Office has work teams that have varying responsibilities requiring a variety of different employee knowledge, skills and abilities. The nature of the work dictates the design of the work systems and the composition of the teams. In some instances such as the organizational development consulting function of the Office of Human Resources, a single person or a small team of two or three consultants with particular qualifications may be best. In other cases such as the horticulture function in the Office of General Services, a team of five or more specialists may be required to respond to the changing needs of the customer.

In the Division of Retirement Systems, for example, a well-trained team of customer service specialists staff the Call Center and the Customer Intake Unit. These employees engage in extensive cross-training so that any one of them can accept responsibility for responding to customer requests across the spectrum of services provided by the Division. Staff in these units answered 135,614 calls and saw 12,411 visitors in FY2000.

To further illustrate, the Office of General Services is divided into 25 specialized work teams. A team leader who reports to an Assistant Office Director leads each team. The Assistant Director in turn reports to the Office Director. Therefore, from the worker in the electrical shop to the Office Director, each employee is encouraged through team meetings to participate both in the execution of the work at hand and in exploring opportunities for process improvement.

Human Resource Focus

Employee Education, Training and Development

This year, the Executive Director recognized a need to develop a Board-wide strategic training and development plan. The Director of the Executive Institute has been tasked to lead the effort to create the plan. An additional organizational development specialist has been employed to evaluate the current training and development capabilities of the Board and to assist in the creation of the new training plan. A team consisting of training specialists from each Office is being formed to assist in the development work. The development strategy is to build on current capabilities, to expand opportunities to include all employees, and to integrate the training plan into the Board's overall strategic planning process. Additionally, a dedicated Training Center has been acquired and is now being refurbished to support this effort.

Within the Office of Information Resources, these current capabilities include an employee training program that includes a combination of technical and professional training courses selected by OIR's internal Training Council. The program is designed to foster achievement of the Office's mission and to ensure staff competencies in current and future work assignments. OIR's goal is to provide each employee with approximately 40 hours of training annually. The training is being based on the evolving Career Training Plan jointly developed by the employee and his/her supervisor.

The Division of Retirement Systems initiated a division-wide career development project three years ago and continues today. This process affords each employee the opportunity to assess individual career goals in light of significant organizational changes. This is done through a series of focus group meetings and individual interviews. The ultimate goal is to develop a workforce with the knowledge, skills and abilities necessary to:

- Guarantee present and future organizational success in meeting missions and goals,
- Enhance present and future individual employability and job success, and
- Optimally fit individual needs with organizational goals.

Retirement Systems benefited from a series of workshops developed by the Office of Human Resources entitled *Work, Change and You*. These were designed to assist individuals and organizations in becoming more productive by focusing on communication skills necessary to improve job satisfaction. Improving the quality of working relationships inevitably results in individual, team and organizational success.

Within the Office of General Services, orientation courses are delivered to new employees in three-hour sessions that introduce the employee to the concepts of continuous improvement, teamwork, applicable Federal and state regulations and workplace safety.

All General Services teams stress teamwork and promote individual growth within their respective teams. Members are encouraged to participate in decision-making in regularly held team meetings. Team members are often cross-trained to enhance their knowledge

Human Resource Focus

of service delivery processes encompassing both their responsibilities and those of other teams. This helps individuals to learn more about how their efforts contribute to “the big picture.”

Employee Well-Being and Satisfaction

Employee well-being and satisfaction is addressed through a variety of means. The Board offers health screenings at a minimal cost to all employees. Free health workshops along with counseling are also available. All employees receive safe driver training and employees whose jobs entail risk of personal injury receive extensive safety training.

The majority of these jobs are within General Services. Here, safety is incorporated into work designs through the use of Job Safety Analysis. A Safety Committee meets regularly to review safety policies, initiate safety plans, secure safety equipment, and propose changes to the safety training program. It advises the Office Director on all facets of the safety program. Additionally, the Safety Support Unit conducts surveys of all work areas. The results are consolidated into a “Hazard Log” which is a list of all items requiring attention, repair or process changes. The unit also reviews OSHA reports and disseminates the information through monthly presentations to the work teams.

Other programs also contribute to employee well-being. Tuition assistance and variable work schedules help employees balance their personal and professional lives. Many employees contribute generously to the Excess Leave Pool to help their colleagues during times of extended crisis. Social events such as picnics, parties, athletic events and various types of gatherings are regularly scheduled within the Offices.

The Office Directors use a variety of methods to obtain feedback regarding employee satisfaction. These include focus groups, individual interviews, informal conversations while “walking around,” and exit interviews with departing employees. This is complemented by “Breakfast With the Boss” wherein the Board’s Executive Director and the Executive Management Team share a continental breakfast with a different functional group of employees each month.

Process Management

Service and Support Processes

This section will examine the key aspects of how we manage the design and delivery of the services that we provide our customers. This is one of the final rungs of our management ladder where all of the information that has been gathered from customers and supplier groups as well as performance measures and benchmarks come together to ensure that we are providing the needed services in a competitive fashion.

For the first time, all parts of the Board are being examined using the criteria of the Malcolm Baldrige National Quality Award. The initiative to produce this Accountability Report as an integrated report of the performance of all the Offices of the Budget and Control Board altogether as a single organization has produced immediate benefits. Several functional areas have surfaced as candidates for process improvement activity. Among them are three areas within the Office of Internal Operations which are vital to the functioning of the entire Board. They are procurement, financial management and personnel management. Other areas for improvement will come to light as the Board continues its efforts to conform to Malcolm Baldrige criteria.

Three process improvement teams have been put in place this year to examine the internal support processes of:

- Procurement
- Financial transactions
- Human resources

Team members were drawn from each of the other Offices and each included at least one member from Internal Operations. They were charged to ensure that these processes are customer-focused and efficient.

The teams successfully executed their charters and have delivered 31 recommendations to improve human resources processes, 27 recommendations to improve financial transactions processes and 9 recommendations to improve procurement processes. The effort was fully supported by the staff of Internal Operations and the improvement recommendations are now being implemented.

Teams also have been put in place to make recommendations on how to improve:

- The budgeting process
- Legislative relations
- Information technology processes within the Board, including the topics of a Chief Information Officer, electronic imaging and electronic forms.

The Board anticipates these innovative process improvement activities to extend throughout the organization during the coming year.

Process Management

Supplier and Partnering Processes

The Board is limited by the statutes of the Procurement Code in its ability to form long-term partnerships with vendors. Many partners/suppliers are selected through a competitive bid process. The goal in these cases is to ensure that the bidders are provided a complete and accurate description of the project, good or service for which they are bidding. As an outcome, the Board executes state term contracts for the delivery of goods and services, and by this action create a partnership with the provider.

In other cases, the Board's partners are mandated by legislation. One such example is the relationship that the Surplus Property section of General Services has with the General Services Administration. GSA has oversight responsibility for the federal property that South Carolina receives via the surplus property program.

The State Fleet Management section also operates a number of programs where the partnership between the public and private sector is the key to providing outstanding service at the most effective price. The Commercial Vendor Repair program represents the best in partnership, providing management and oversight of a statewide system of contracts with over 600 vendors located in 83 cities, covering all 46 counties and several state agency owned maintenance facilities. It protects the state by ensuring that only those necessary repairs are performed by vendors while controlling costs and maintaining quality. Prices from vendors are benchmarked against National Fleet Account (NFA) prices, resulting in prices 46 percent below the NFA average.

In all cases, the most important ingredient is open communications between the parties.

Business Results – Division of Operations

Office of General Services

Mission: The Office of General Services provides its customers with the highest quality centralized business services at the least cost.

Name: **Materials Management Office**

Cost:

State:	\$2,893,961
Federal:	\$0
Other:	\$173,685
Total:	\$3,067,646

Goals: To provide the highest quality centralized materials management services for state agencies and institutions at the least cost. These services include:

- Goods & Services procurements (SPO)
- Information Technology procurements (ITMO)
- Engineering services
- Procurement Audits & Compliance Certifications
- Support services

Objectives:

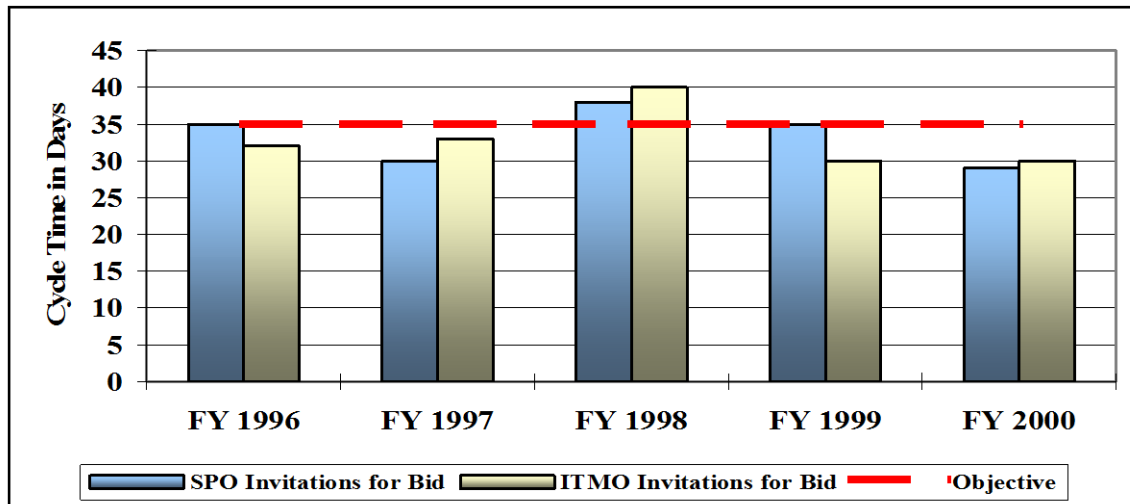
1. To complete Invitations for Bids for goods and services within a median time of 30 days, based on the last five years' data.
2. To complete Invitations for Bids for information technology goods and services within a median time of 30 days, based on the last five years' data.
3. To complete Requests for Quotes for goods and services within a median time frame of 20 days, based on the last five years of data.
4. To complete Requests for Quotes for information technology goods and services within a median time frame of 12 days, based on the last five years' data.
5. To complete Requests for Proposals for goods and services within a median time of 75 days, based on the last five years' data.
6. To complete Requests for Proposals for information technology goods and services within a median time of 75 days, based on the last five years' data.
7. To complete the State Engineer's review and approval process for procurements of design and construction contracts within the statutory requirement of 10 days.
8. To complete the State Engineer's review and approval process of properly completed design and construction documents within the statutory requirement of 45 days.
9. To provide state Engineering services at a cost at least 10% below the private sector benchmark and at or below the historical average.
10. To complete procurement audits within a median time of 20 weeks, based on five years' data.
11. To save 30% on Term Contracts as compared to the market sample.
12. To save 5% on Negotiated proposals as compared to the original winning proposal.
13. To have 95% of the protests overturned.
14. To maintain a 95% customer satisfaction level (satisfied or very satisfied on a 5-point scale).

Business Results – Division of Operations

Key Results:

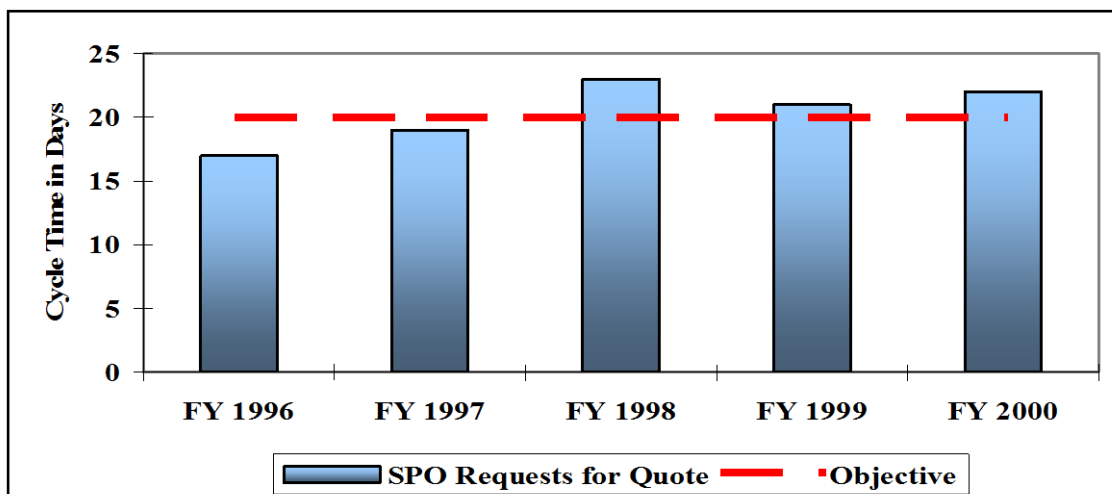
1. Maintained State Procurement Office (SPO) Invitation for Bids processing to 29 days, 3% less than the 30-day objective.
2. Maintained Information Technology Management Office (ITMO) Invitation for Bids processing time to 30 days, meeting the 30-day objective.

SPO & ITMO Cycle Times for Invitations for Bids



3. Maintained SPO Requests for Quotes processing time to 22 days, 8% more than the 20-day objective.

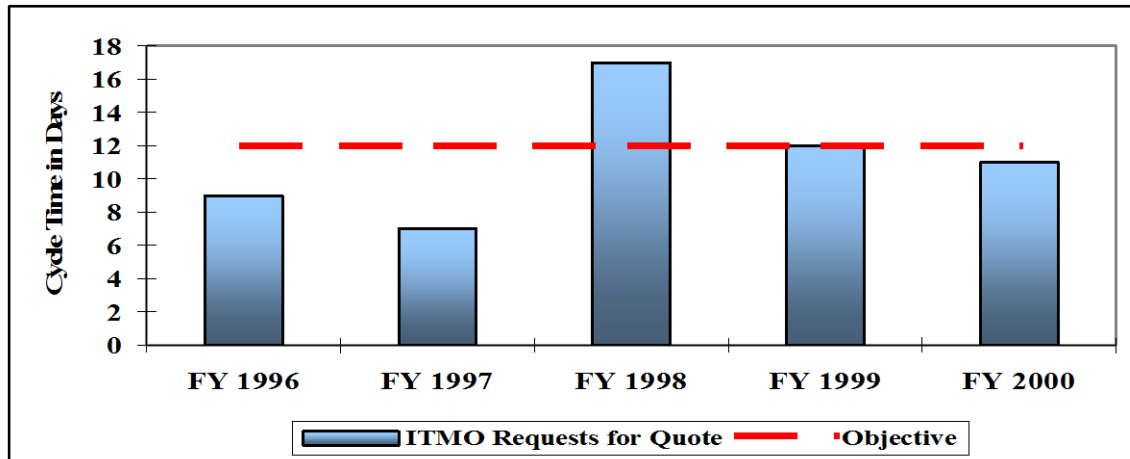
SPO Cycle Time for Requests for Quotes



4. Maintained ITMO Requests for Quotes processing time to 11 days, 8% less than the 12-day objective.

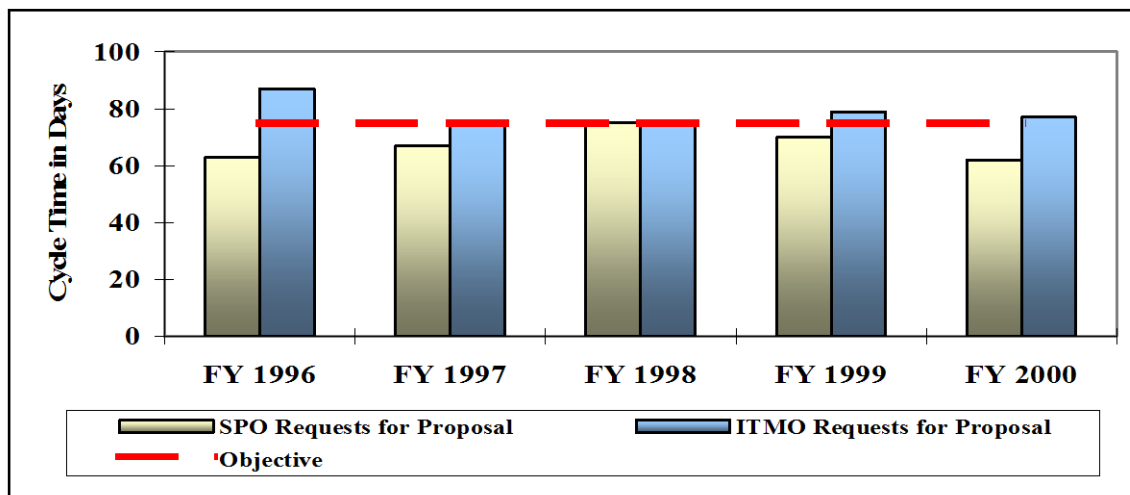
Business Results – Division of Operations

ITMO Cycle Time for Requests for Quote



5. Maintained SPO Requests for Proposals processing time to 62 days, 17% less than the 75-day objective.
6. Maintained ITMO Requests for Proposals processing time to 77 days, 3% more than the 75-day objective.

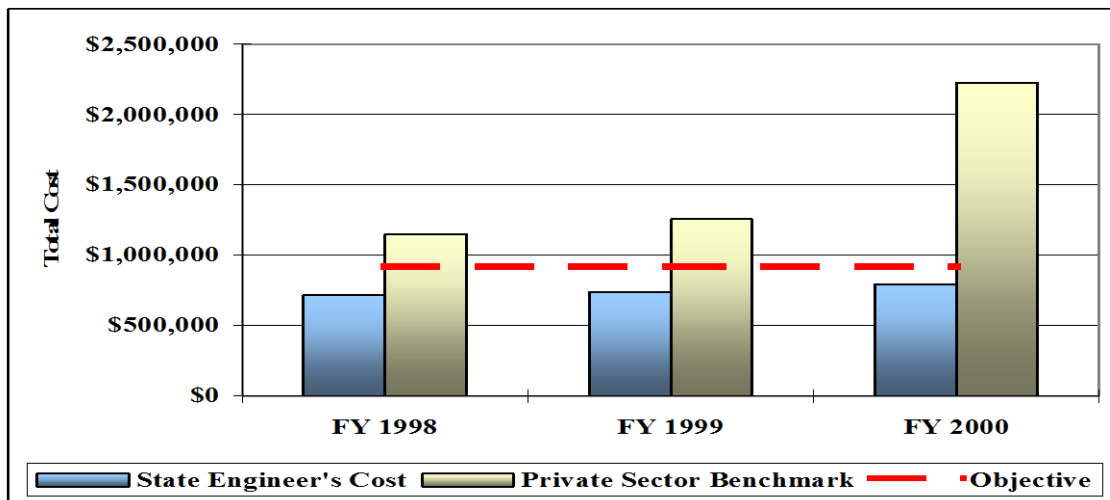
Cycle Time for Requests for Proposals



7. Maintained the State Engineer's average cycle time for review and approval of design & construction procurements under the statutory benchmark of ten days 96% of the time.
8. Maintained the State Engineer's average cycle time for review and approval of 359 properly completed design and construction documents within the statutory requirement of 45 days 99.1% of the time
9. Provided the State Engineer's services for \$795,527, which is 60% below the private sector benchmark of \$2,227,500, and 13% less than the objective.

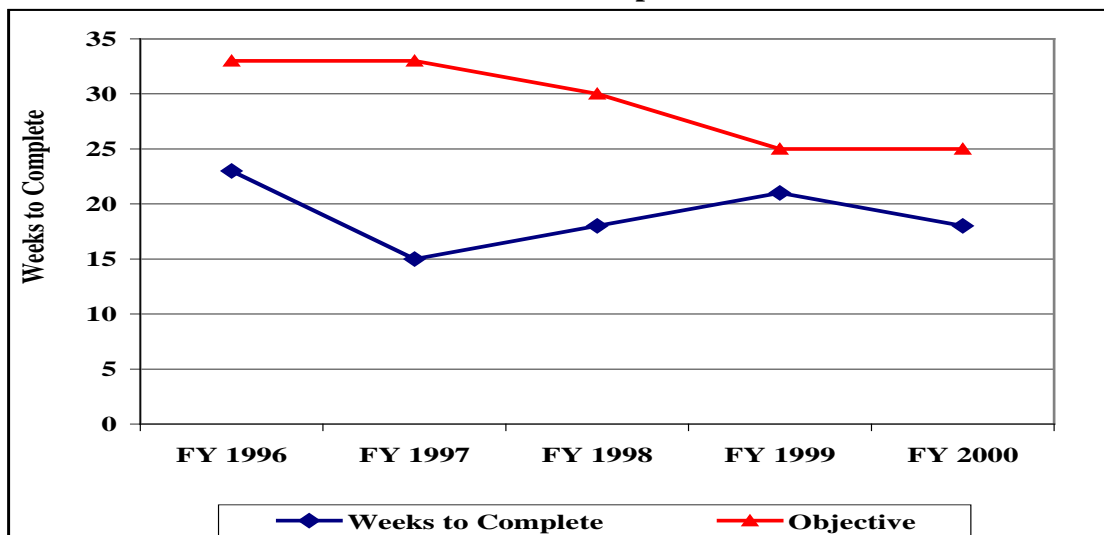
Business Results – Division of Operations

**Cost of the State Engineer's Services
Compared to Private Sector Benchmark**



10. Completed procurement audits within a median time of 18.43 weeks, 8% below the 20 day objective.

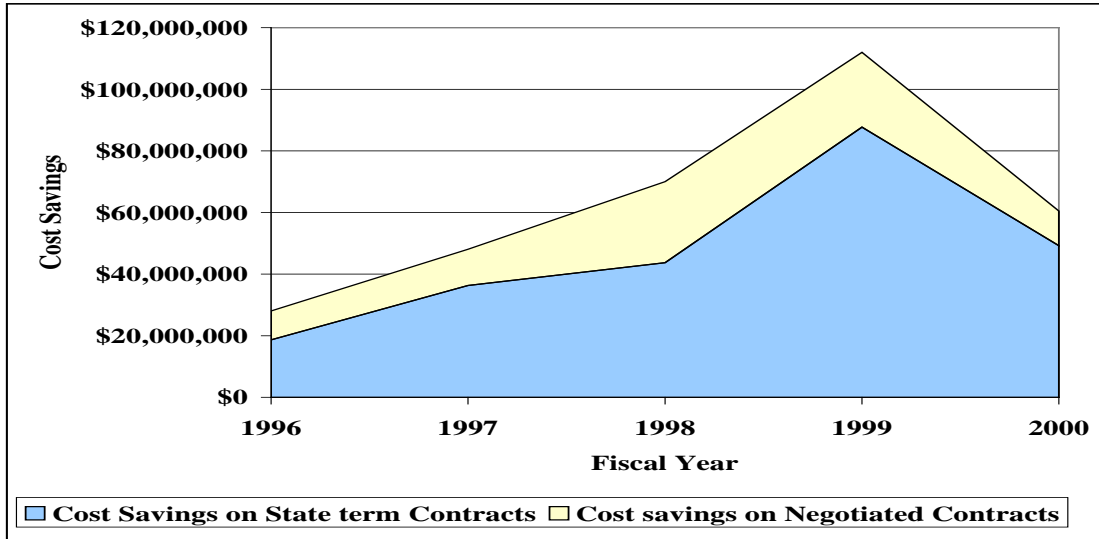
**Audit & Certification
Median Weeks to Complete Audits**



11. The authority to negotiate bids saved \$11,277,101, which was over 6% less than the winning bids, and 20% better than the 5% objective. (Savings in 1998 were larger because of the contract for the Statewide Procurement Card, and 1999 because of the Phoenix contract for the SCDOT.)
12. The state saved almost \$50,000,000 on Term Contracts, which was 34% less than the single-buy market sample, and 13% better than the 30% objective. (Savings were larger in 1999 because of the Statewide Term Contract for PC's.)

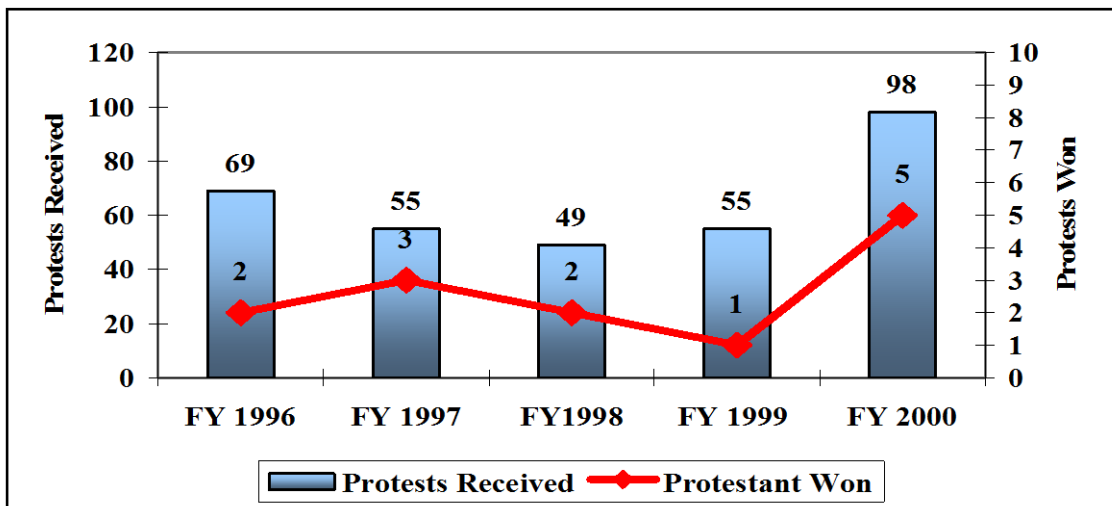
Business Results – Division of Operations

Cost Savings on Negotiated Bids and Term Contracts



13. Of 2,374 contracts awarded in FY 2000, there were 98 protests filed and 93 were decided in the state's favor (95%).

Protests Received Compared to Protests Won



14. Achieved a 94% customer satisfaction level.

Business Results – Division of Operations

Name: Facilities Management Office

Cost: State: \$1,383,850
Federal: 0
Revenues: \$14,969,893
Total: \$16,353,743

Goals: To provide the highest quality centralized facilities management services for state owned buildings and grounds at the least cost. These services include:

- Mechanical services
- Maintenance services
- Custodial services
- Horticultural services
- Electrical services
- Energy/Fire/Safety services
- State House Maintenance services
- Support services

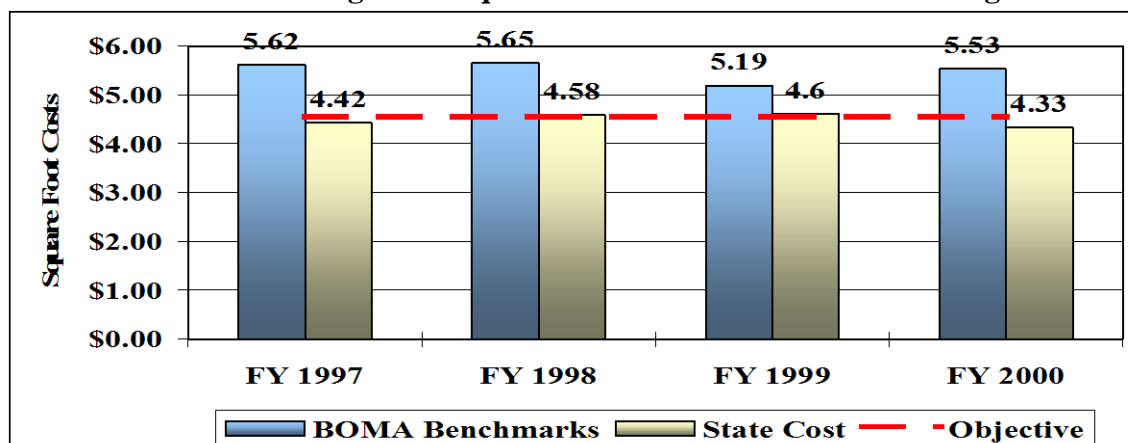
Objectives:

1. To provide total facilities management services at 10 % less than the national BOMA benchmark and to establish a baseline goal from historical data.
2. To establish a baseline goal for response times on Demand Work Orders for all teams.
3. To maintain a 95% customer satisfaction level (satisfied or very satisfied on a 5-point scale).

Key Results:

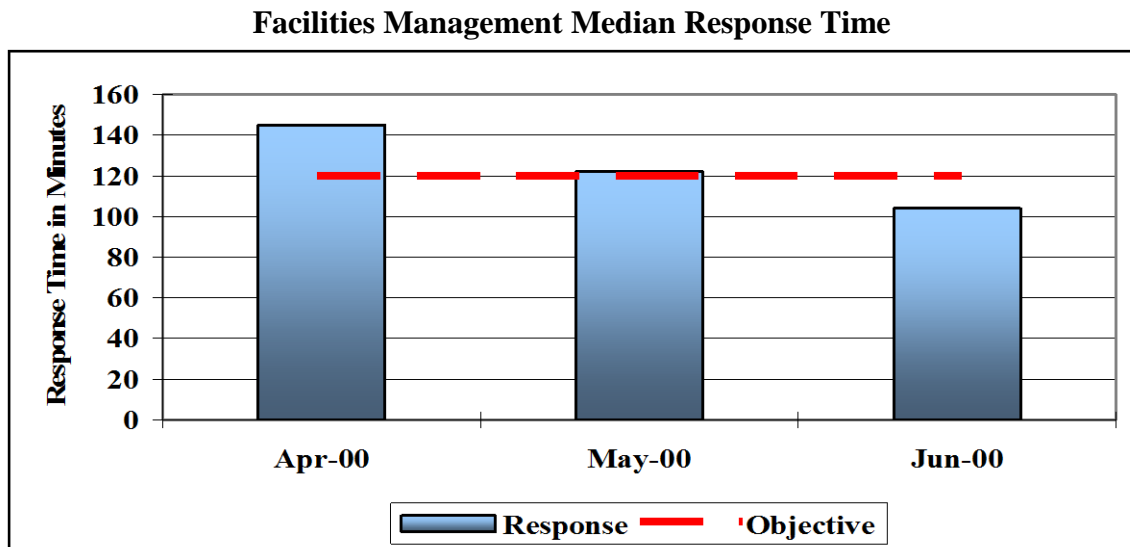
1. Provided total facilities management services for \$4.33 per square foot, which was 20% less than the BOMA Benchmark of \$5.53, and established a baseline goal of \$4.55 per square foot.

Facilities Management Square Foot Costs to Maintain Buildings



2. Established the baseline goal for Demand Work Orders using the new Work Order System to be the median response time of 120 minutes for all teams.

Business Results – Division of Operations



3. Achieved a 96% satisfaction level.

Name: State Fleet Management

Cost:

State:	0
Federal:	0
Other:	\$18,092,721
Total:	\$18,092,721

Goals: To provide the highest quality centralized State Fleet Management services for state agencies and institutions at the least cost. These services include:

- Long-term lease vehicles.
- Short term motor pool.
- Fleet Maintenance Shop services.
- Commercial Vendor Repair Program.
- Fleet support services

Objectives:

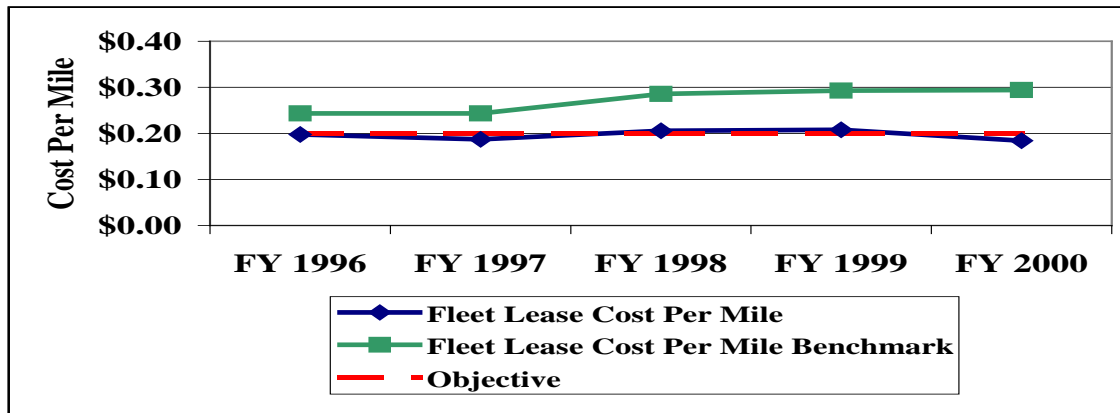
1. To provide the state lease fleet of vehicles at 20% less than the national Public Sector Fleet Benchmark and to meet the goal of 20 Cents based on historical data.
2. To provide state fleet maintenance at 20% less than the National Public Sector Fleet Benchmark and to meet the goal of 5 Cents based on historical data.
3. To maintain a 10 hour turn around time for cars brought in for service at the Fleet Maintenance shop in Columbia.
4. To achieve a 95% customer satisfaction level (satisfied or very satisfied on a 5point scale).

Business Results – Division of Operations

Key Results:

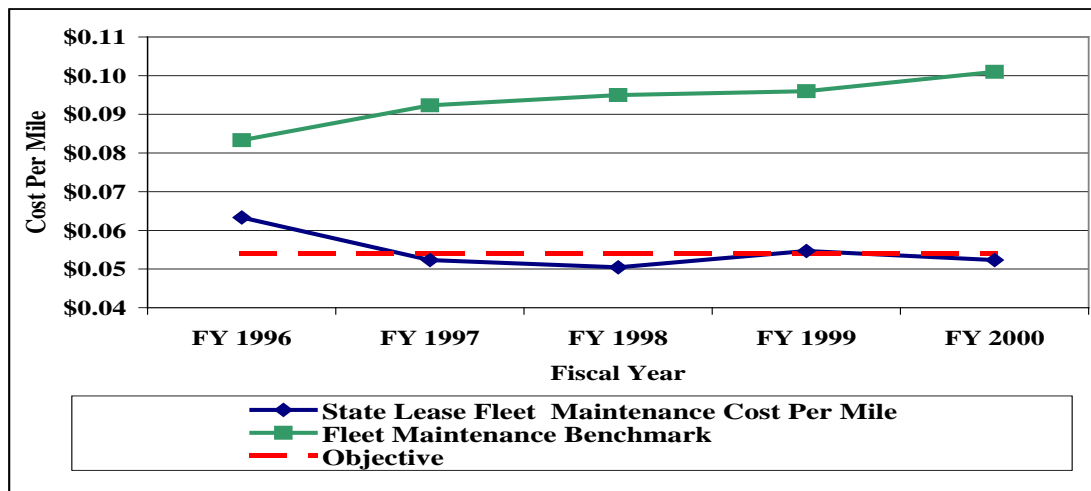
1. Provided the state fleet of vehicles at 19 Cents a mile, 40% less than or \$3,870,837 less than the benchmark. Improved on the goal of \$0.20 by \$0.01. (Benchmarking for Quality in Public Sector Fleets, National Association of Fleet Administrators, 1993. Figures are updated using the Consumer Price Index for the transportation sector.)

Fleet Lease Cost Per Mile



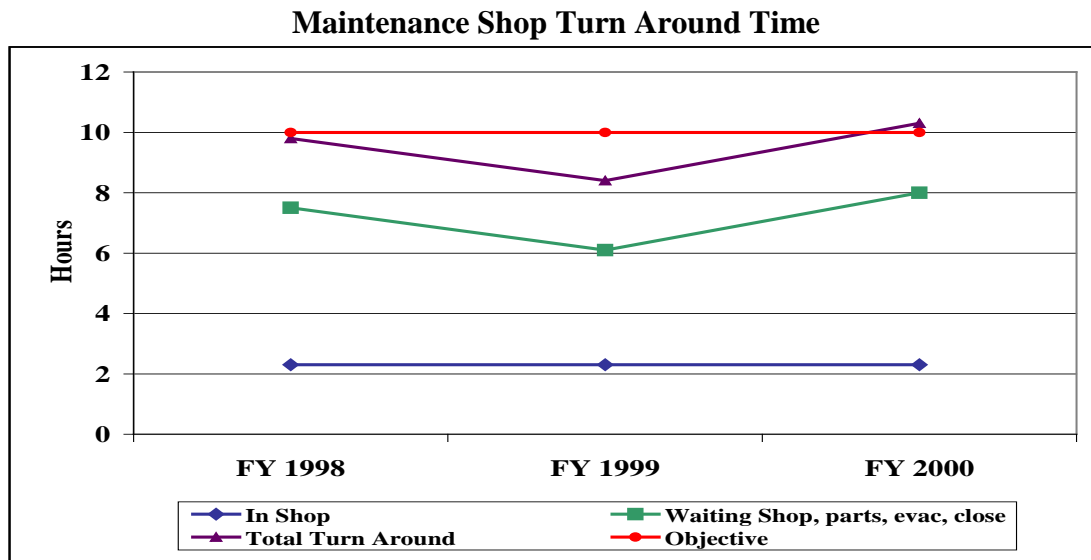
2. Provided state fleet maintenance for 5 Cents a mile, almost 50% less than or \$8,257,533 less than the benchmark. Met the goal of five cents a mile. (Benchmarking for Quality in Public Sector Fleets, National Association of Fleet Administrators, 1993. Figures are updated using the Consumer Price Index for the transportation sector.)

State Fleet Maintenance Cost Per Mile



3. Maintained a shop total turn around time of 10.3 hours, which was within 45 minutes of the objective.

Business Results – Division of Operations



4. Achieved a 96% customer satisfaction level.

Name: State Building & Property Services

Cost: State: \$316,657
 Federal: 0
 Revenue: \$1,021,184
Total: \$1,337,841

Goals: To provide the highest quality centralized State Building & Property Management services for state agencies at the least cost. These services include:

- Capital Improvement services
- Property Appraisal services
- Leasing services
- Parking Facility
- Construction & Planning services
- Statewide Building & property management services

Objectives:

1. To reduce the building and property appraisal cycle time each year until all buildings and property are appraised on a six-year cycle.
2. To conduct all replacement cost appraisals at the optimal cost efficiency benchmark of \$55, based on a five-year average.
3. To reduce the cycle times for lease projects by 10%.
4. To maintain the cost of property leases at 7% less than the private sector benchmarks.
5. To maintain the building and grounds of state agencies that contract with Statewide Building Services at 10% less than the BOMA square foot cost benchmark.

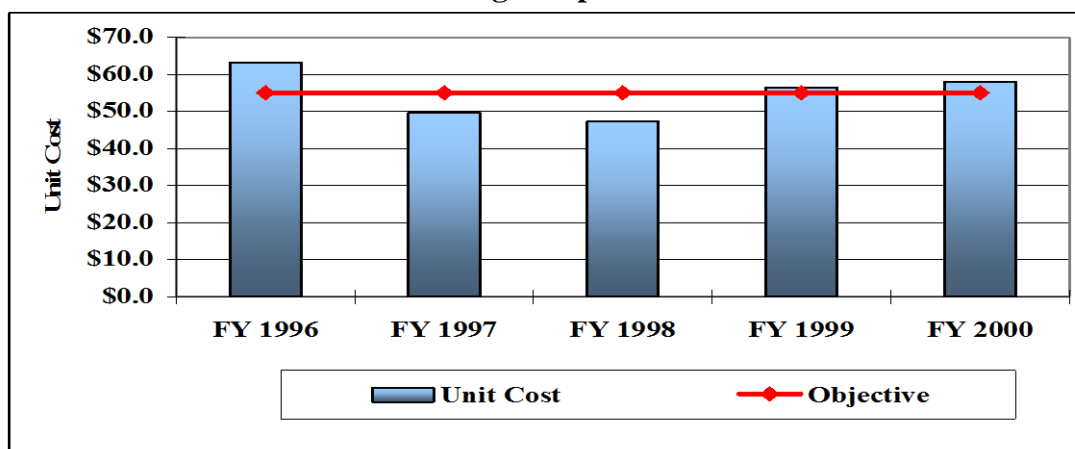
Business Results – Division of Operations

6. To keep the cost of project management through construction & Planning at 25% less than the private sector benchmark and to meet the goal of \$50 per hour based on historical data.
7. To maintain a 95% customer satisfaction level (satisfied or very satisfied on a 5-point scale).

Key Results:

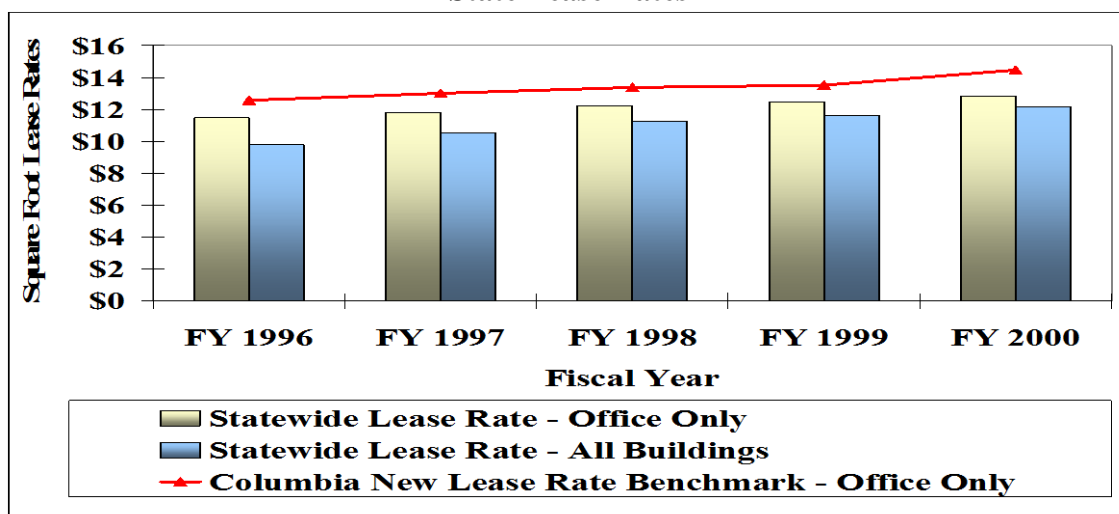
1. Reduced appraisal cycle time for buildings and property by more than 20% to 6.1 years, almost achieving the 6 year turn-over objective.
2. Unit cost for producing replacement cost estimate was \$58, which is 105% of the \$55 objective.

Unit Cost for Producing a Replacement Cost Estimate



3. The cycle time for lease projects was reduced by 20%, down to 64 days, exceeding the 72 day objective by 11%.
4. The cost of state office leases was 7% less than the private sector benchmark, achieving the objective and saving about \$700,000.

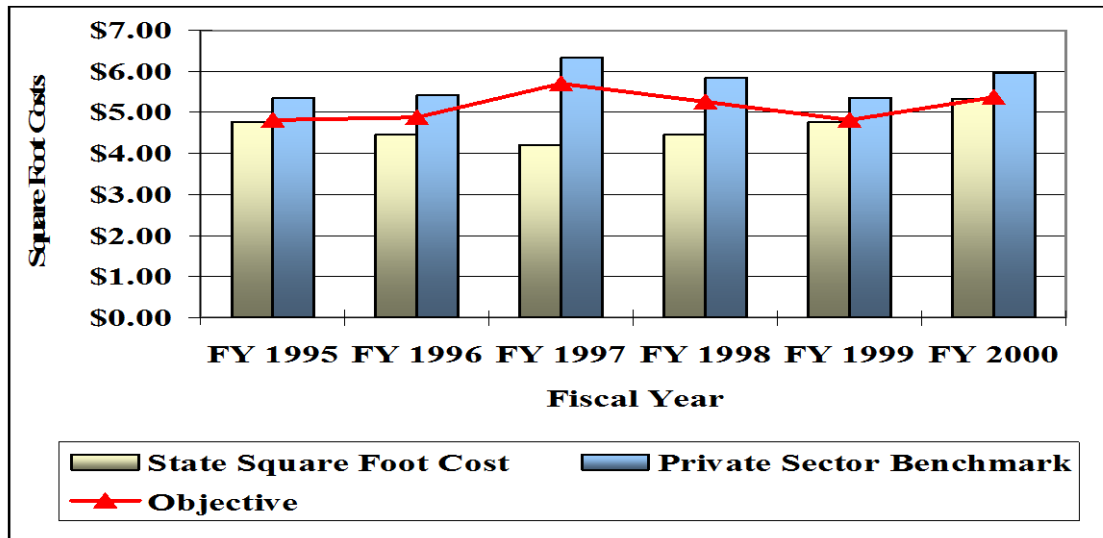
State Lease Rates



Business Results – Division of Operations

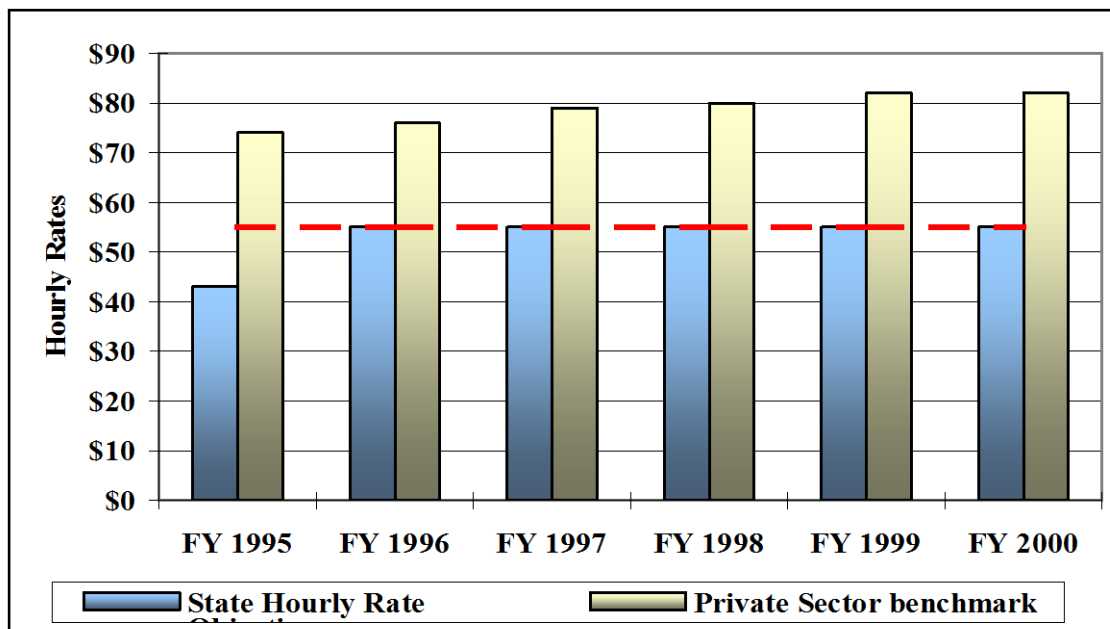
5. The building and grounds of state agencies that contract with Statewide Building Services were maintained at \$5.32, which is 10% less than the BOMA square foot cost benchmark of \$5.97, and less than the \$5.37 cents a square foot objective.

**Statewide Building Services
Square Footage Costs Compared to the Benchmark**



6. The cost of project management of \$55 an hour was 30% less than the private sector benchmark of \$82 an hour, and meets the objective.

Construction & Planning Hourly Rates Compared to the Private Sector Benchmark



7. Achieved an 87% satisfaction level.

Business Results – Division of Operations

Name: Agency Mail, Supply and Disposable Property

Cost: State: 0
Federal: 0
Revenue: \$6,798,840
Total: \$6,798,840

Goal: To provide the highest quality centralized Agency Mail/Supplies & Surplus Property services for state agencies at the least cost. These services include:

- Central Supply services
- Agency Mail services
- Surplus Property services

Objectives:

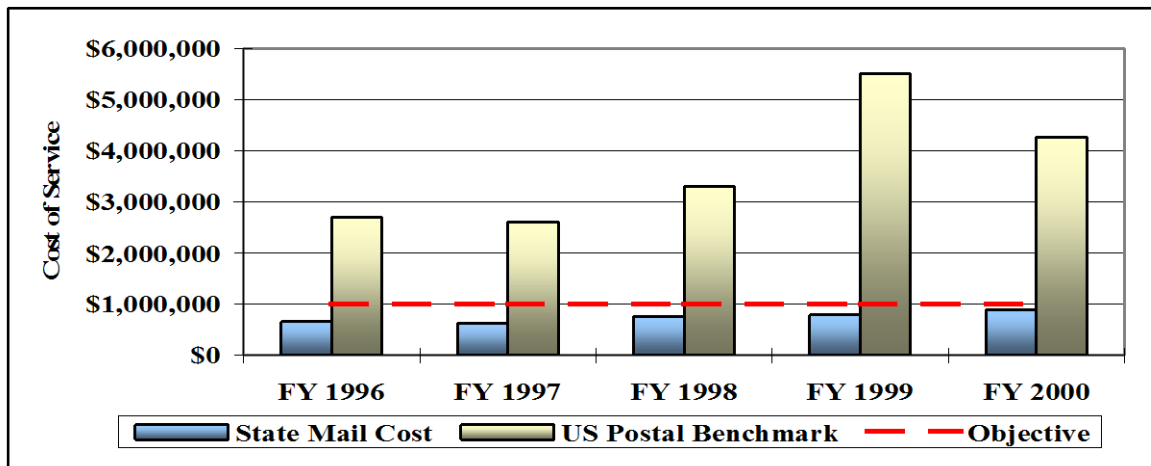
1. To deliver the mail to state agencies at a cost that is 70% less than the US Postal benchmark and meet the goal of \$900,000 per year based on historical data.
2. To deliver all mail within 24 hours.
3. To provide office supplies at 20% less than the private sector market, based on historical data.
4. To reduce the cycle time for supply orders to 3 days.
5. To reduce the surplus property cycle time from Turn-In Documents to sale of the property.
6. To sell agency's surplus property and recover costs for them to use to purchase new property.
7. To provide agencies with surplus property to meet their needs and avoid the cost of new property.
8. To provide local governments with surplus property to meet their needs and avoid the cost of new property.
9. To maintain a 95% customer satisfaction level (satisfied or very satisfied on a 5-point scale).

Key Results:

1. Delivered mail to state agencies at 79% less than the US Postal Service Benchmark, saving the state \$3,363,820.

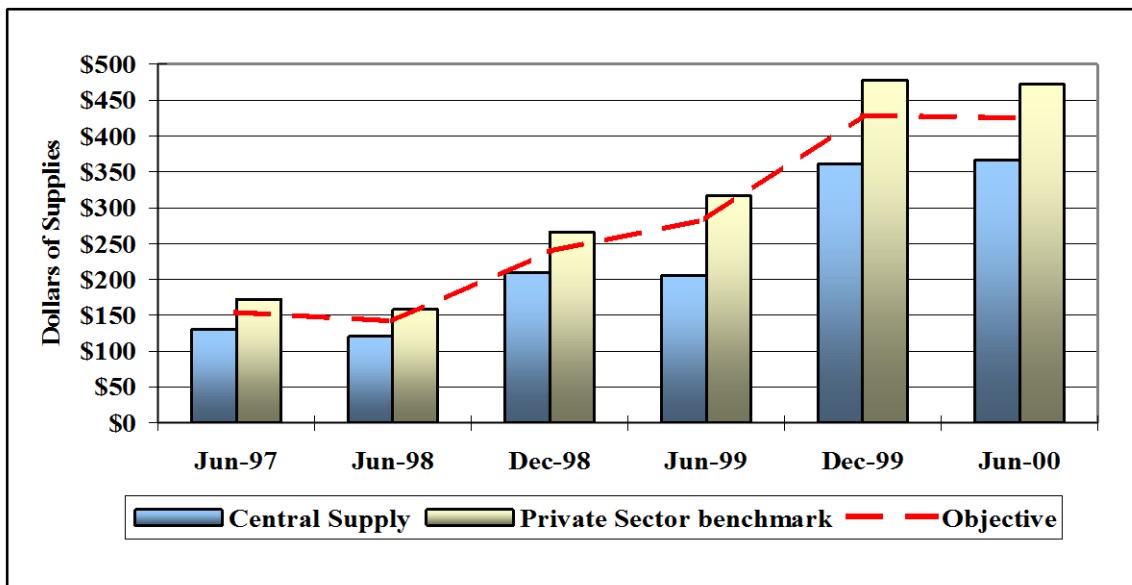
Business Results – Division of Operations

Cost of Agency Mail Services Compared to the US Postal Benchmark



2. Delivered all mail within 24 hours.
3. Provided office supplies at 20% less than the private-sector benchmark, saving the state \$906,928. (Note: The private sector benchmark is established by taking the average cost of the top 25 highest state sales volume of supplies and comparing the cost to Office Depot, Staples, Office Max and Forms & Supply).

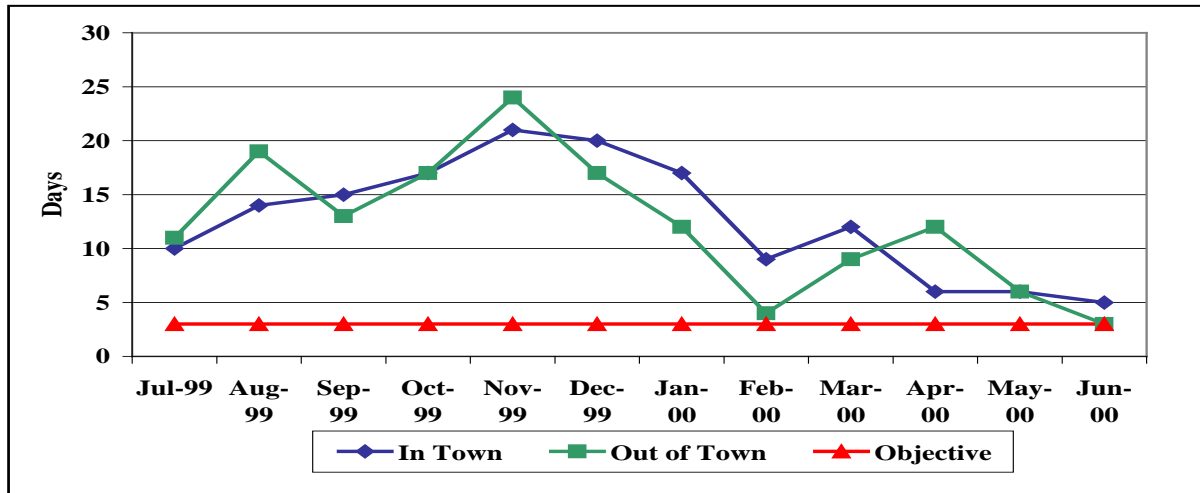
Combined Cost of Top Twenty Five Highest Volume Supplies



Business Results – Division of Operations

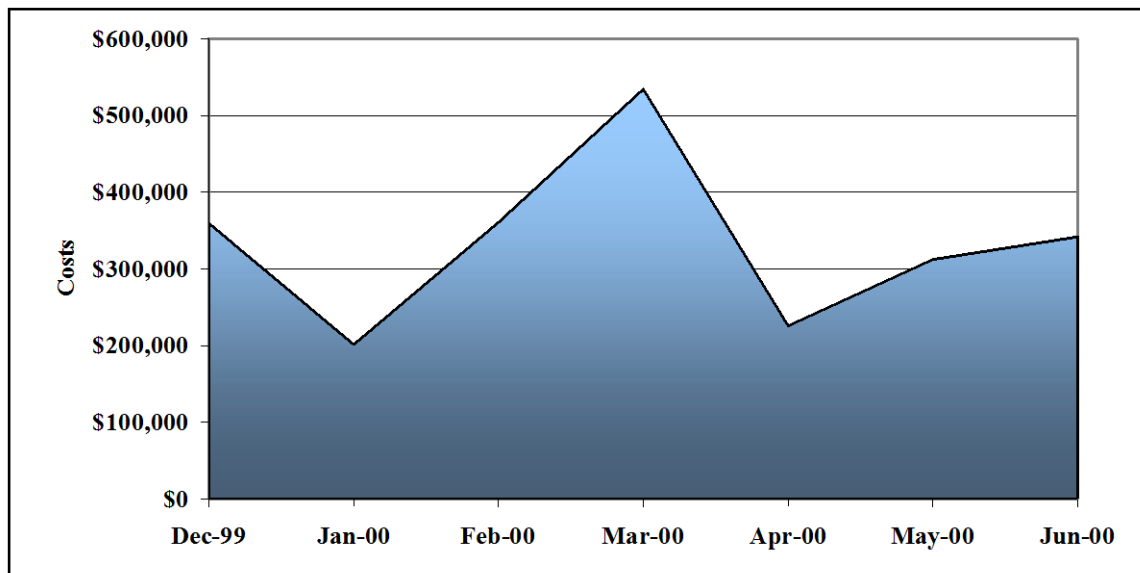
- Reduced the State Supply cycle time for supply deliveries to 3 days for out of town shipments and to 5 days for in town delivery, achieving the objectives for both.

Central Supply Cycle Time for Supply Orders



- Recovered \$2,335,408 for state agencies from the sale of their surplus property, from December 1999 through June 2000. (A new Surplus Data and Inventory system is being developed, so FY 2000 establishes the base year for new performance measures.)

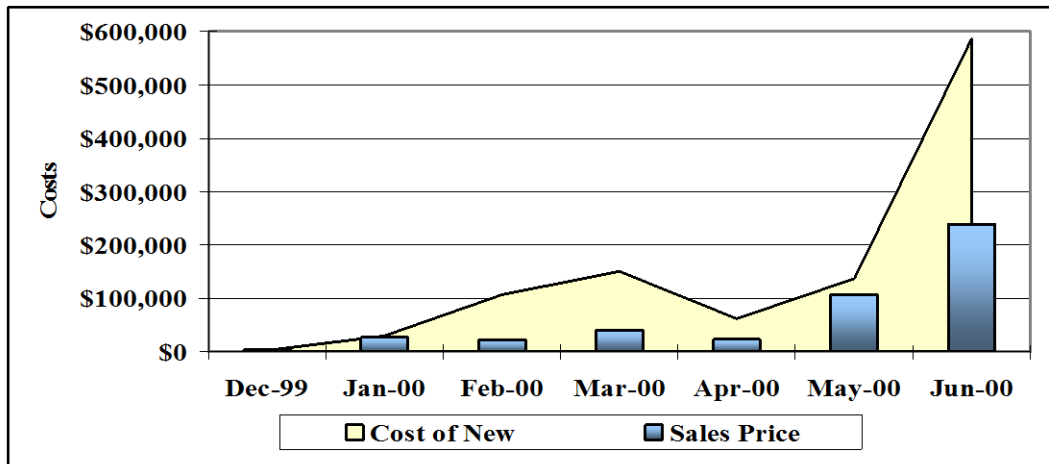
**Recovered Costs by Agencies
From Sale of Their Surplus Property**



Business Results – Division of Operations

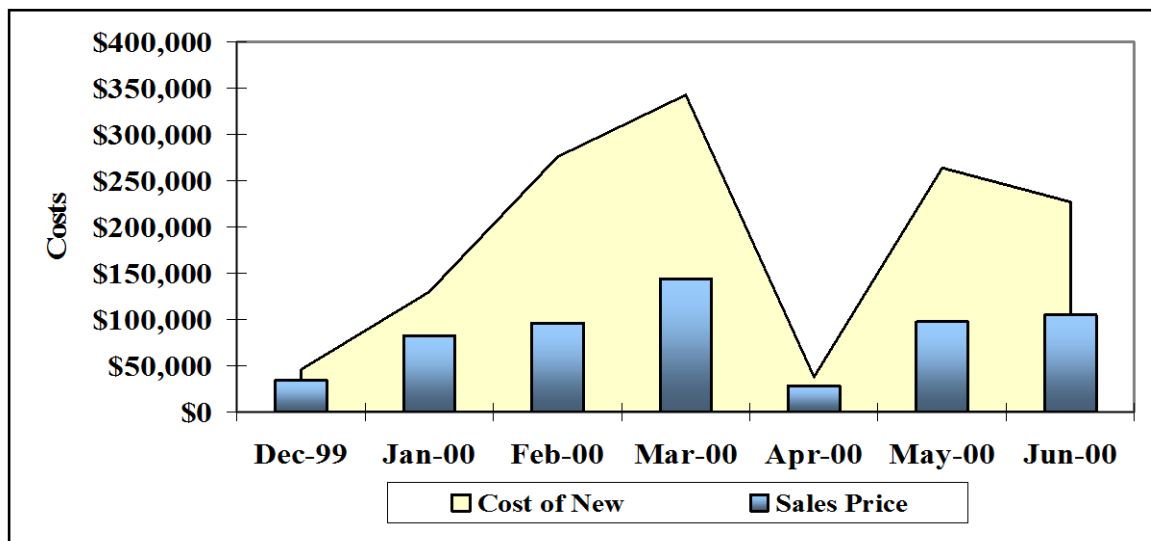
6. Provided agencies with surplus property that saved \$615,670 from new equipment price from December 1999 through June 2000. (Note: New equipment price is established by taking 50% of the original acquisition price minus the expenses of Surplus Property).

Surplus Property for State Agencies
New Equipment Compared to Surplus Equipment Sales Price



7. Provided County and Municipal government, schools and other governments with surplus property that saved \$736,451 from new equipment price from December 1999 through June 2000. (Note: New equipment price is established by taking 50% of the original acquisition price minus the expenses of Surplus Property).

Surplus Property for Local Governments
New Equipment Compared to Surplus Equipment Sales Price



8. Achieved an 90% satisfaction level.

Business Results – Division of Operations

Name: Business Services

Cost: State: \$938,353
Federal: \$0
Other: \$1,019,662
Total: \$1,958,015

Goal: To provide the Office of General Services with the highest quality Centralized business services at the least cost. These services include:

- Personnel services
- Training services
- Safety services
- Information Systems services
- Budget services

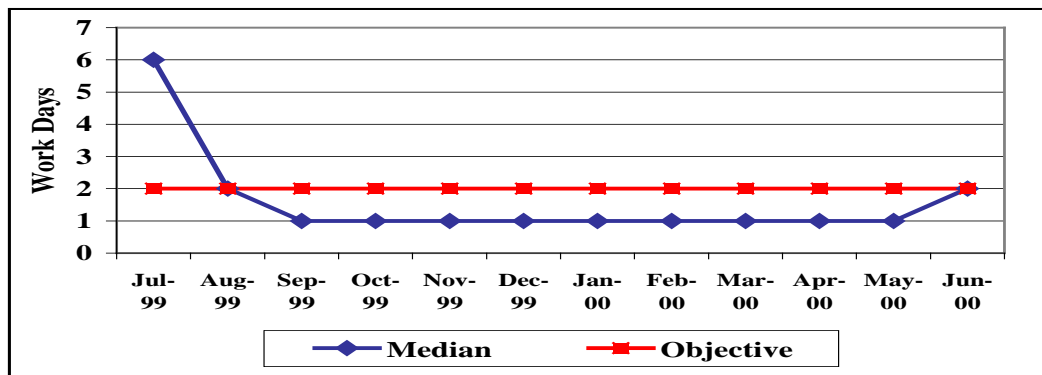
Objectives:

1. To maintain the cycle time for new hires at 52 days.
2. To maintain the cycle time for promotions at 12 days.
3. To maintain the cycle time for re-classifications at 4 days.
4. To maintain the cycle time for performance raises at 12 days.
5. To maintain the cycle time for payable transactions at 2 days.
6. To reduce the safety accident rates and lost workdays to 0%.
7. To maintain the Trouble Call response times for Information systems to less than one hour.
8. To achieve a 90% customer satisfaction level (satisfied or very satisfied on a 5point scale).

Key Results

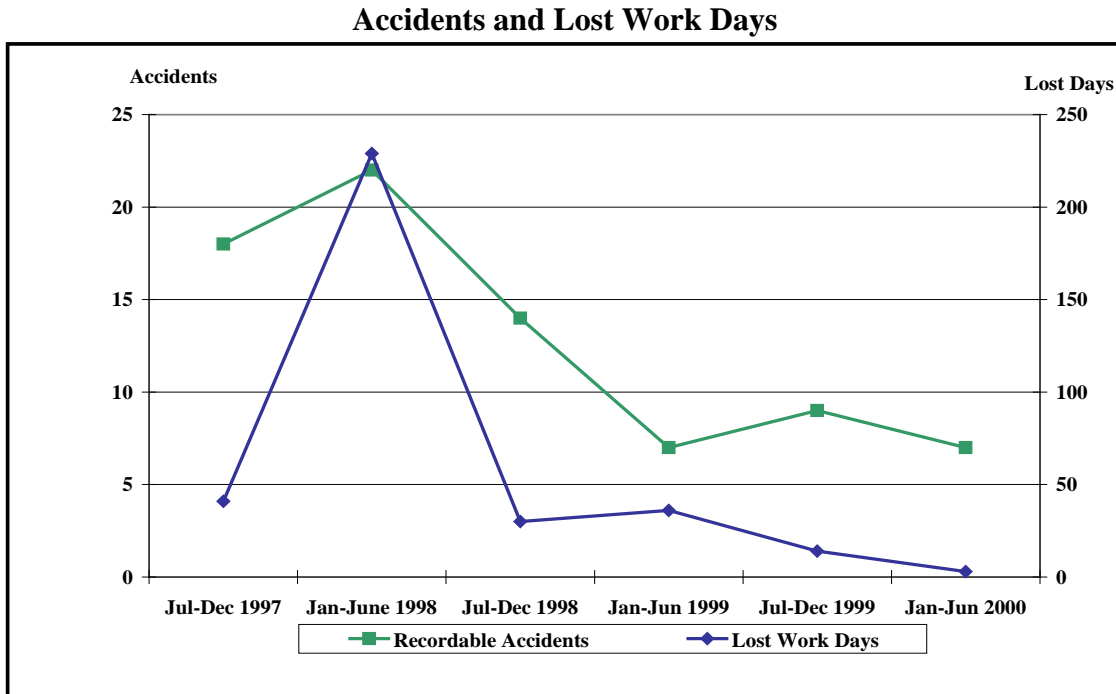
1. Maintained cycle time for new hires to 50 days.
2. Maintained the cycle time for promotions to 15 days.
3. Maintained the cycle time for re-classifications to 7 days.
4. Maintained the cycle time for performance raises to 11 days.
5. Maintained the median cycle time for payable documents to 2 workdays or less.

Median Cycle Time for Payable Documents

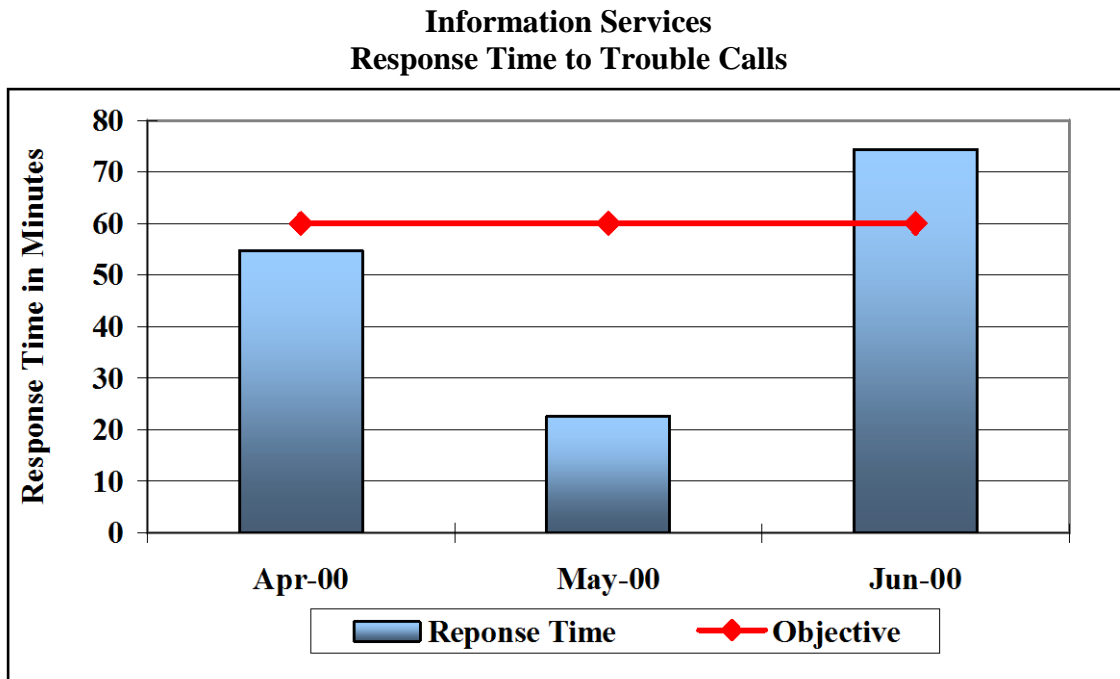


Business Results – Division of Operations

6. Reduced the safety accident rates by 20%, and lost workdays by almost 75%.



7. Maintained the Trouble Call response times for information systems to less than one hour.

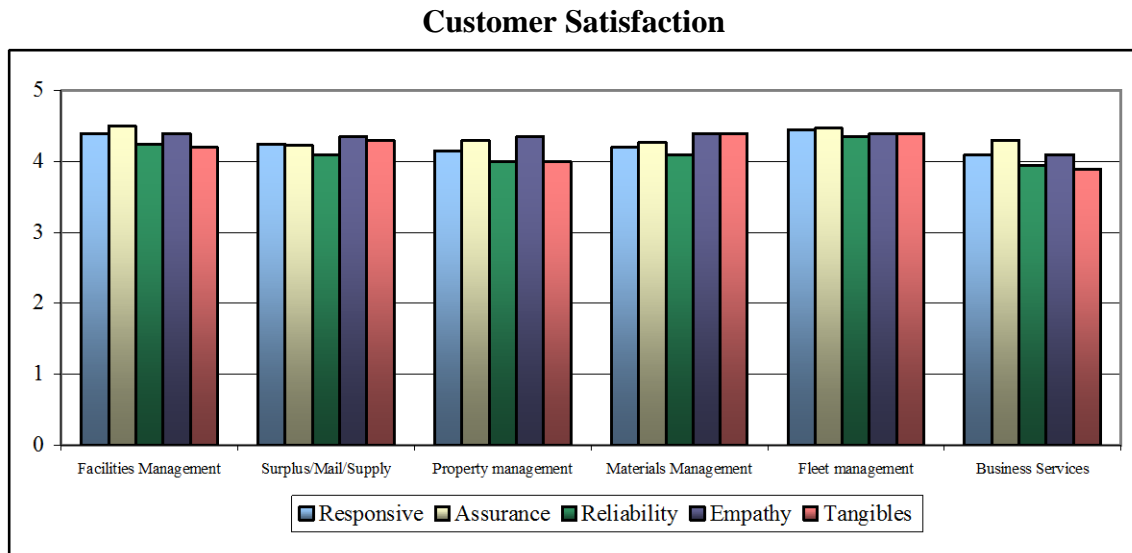


Business Results – Division of Operations

8. Achieved an 86% customer satisfaction level.

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The satisfaction scores for the work units of the Office of General Services are:



Business Results – Division of Operations

Office of Information Resources

Mission: The mission of the Office of Information Resources is to provide the information infrastructure to agencies and entities of government necessary to their efficient and effective delivery of services, and to provide the leadership which will facilitate and enable the appropriate integration of new or improved technologies.

Name: Network and Telecommunications Operations

Cost: State: \$
Federal:
Other: \$30,386,261
Total: \$30,386,261

Goals: To provide excellent telecommunications products and services that meet customers' needs and to provide leadership in telecommunications products and services innovation.

Objectives:

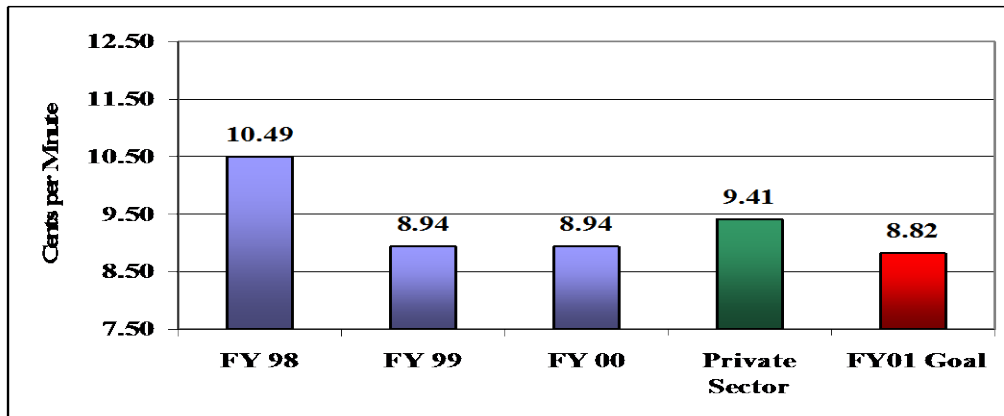
1. Provide reliable long distance telephone service while striving to lower costs to 8.82 cents per minute.
2. Provide local telephone service with increased features while maintaining or lowering costs to \$21 per month for state-owned service and \$25 per month for contract service.
3. Respond effectively to growing customer demand for more service by increasing the number of ports by 5% while maintaining the current staffing level.
4. Respond to the 8% increase in business service while reducing the number of trouble repair orders by 4%.
5. Migrate 100 percent of telephone users from older PBXs to newer models.
6. Provide technical support internally at a cost 10% below the cost of contracting with external vendors.
7. Maintain quality of service for voice, video and data networks through proper network design and configuration.
8. Provide Internet connections, at T-1 bandwidth, to 100 percent of South Carolina public schools, school districts and public libraries.

Business Results – Division of Operations

Key Results:

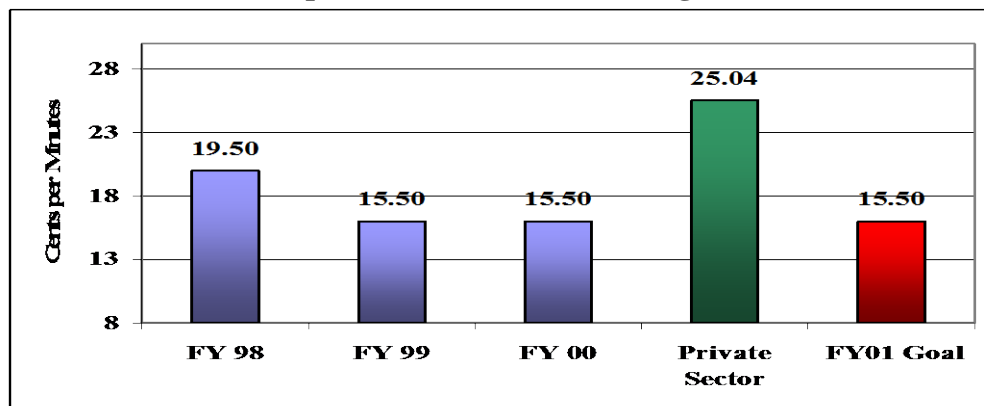
1. Provided long distance telephone service at an average rate of 8.94 cents per minute, reflecting a 17% percent rate decrease since FY98. This price compares favorably to the private sector benchmark. If these services were not aggregated and administered by OIR, agencies would have to include additional costs associated with contract administration.

Cost per Minute of Long Distance Rates



Provided calling card service at an average rate of 15.5 cents per minute, reflecting a 26% percent rate decrease since FY98. This price compares favorably to the private sector benchmark.

Cost per Minute for State Calling Card



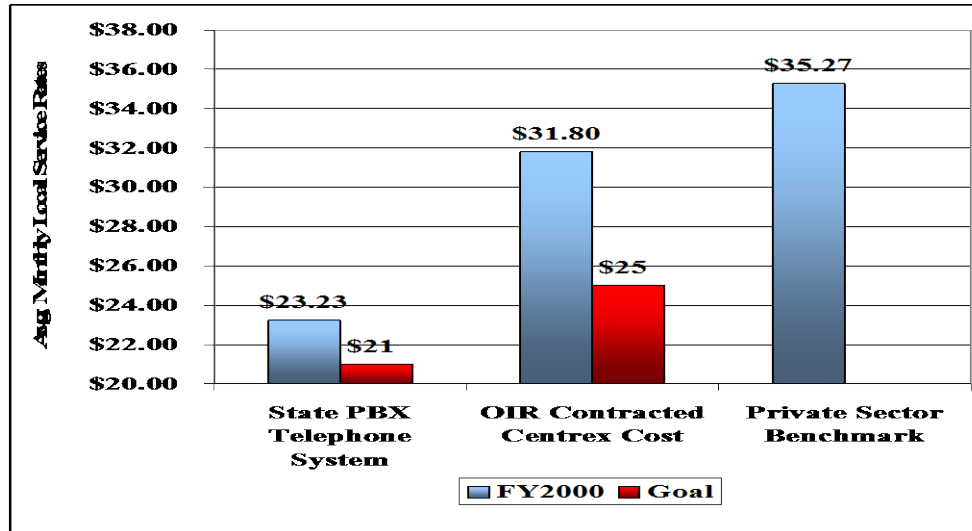
2. For the past 4 years, provided an average local service telephone rate of \$23.23 for users of the State PBX system. Features such as 6-way conference calling, caller identification and enhanced feature buttons were added at no additional cost to the customer. The average State PBX telephone rate is considerably lower than the private sector rate.

For those agencies not able to take advantage of the state-owned PBX telephone system, OIR has successfully negotiated a Centrex contract at a rate 13% less than the

Business Results – Division of Operations

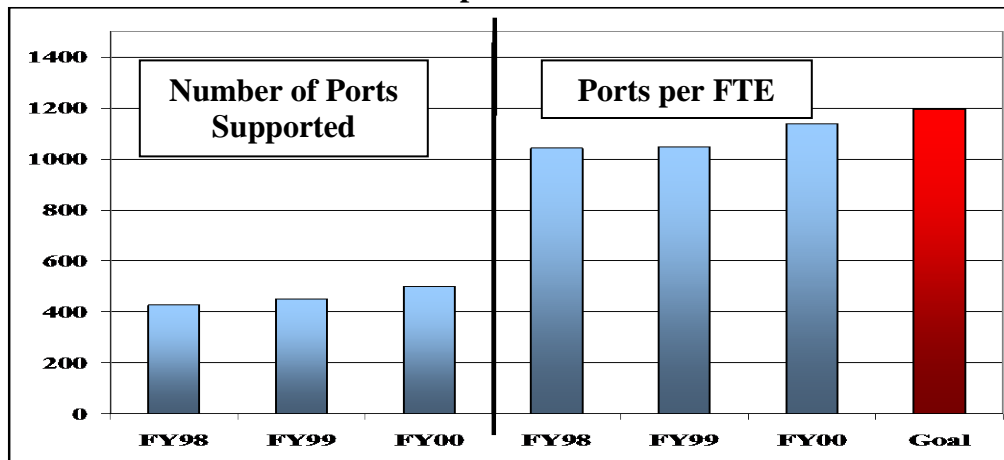
private sector benchmark. OIR's goal is to issue an RFP in FY01 for this service to further reduce cost.

Average Local Service Telephone Rates



- Responded effectively to growing customer demand for service. This demand increased the number of telephone ports by five percent to 50,120 in FY 2000. Efficiency is shown by the number of telephone ports administered per FTE.

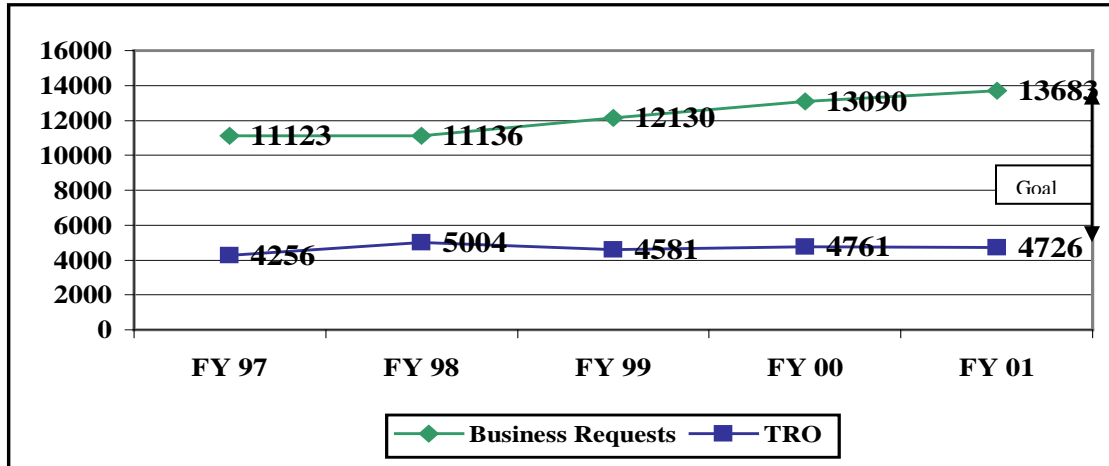
Telephone Ports



- Effectively responded to the 7.9% increase in requests for business services while reducing the number of Trouble Repair Orders by 3.9 percent this fiscal year.

Business Results – Division of Operations

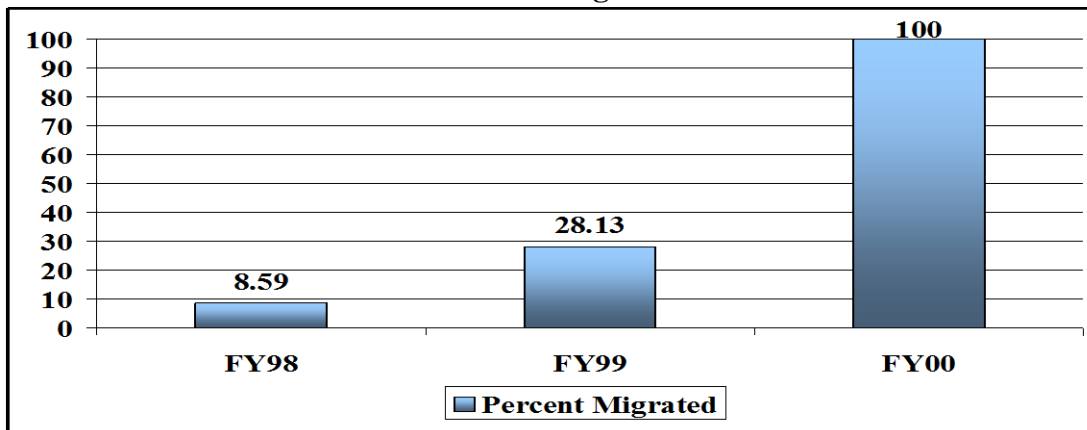
Business Requests and Trouble Repair Orders (TRO)



The goal for FY 01 is to increase the spread between the number of new business requests and the number of trouble requests.

5. All users have been migrated from older PBX equipment to newer models, thereby improving the technology available to customers.

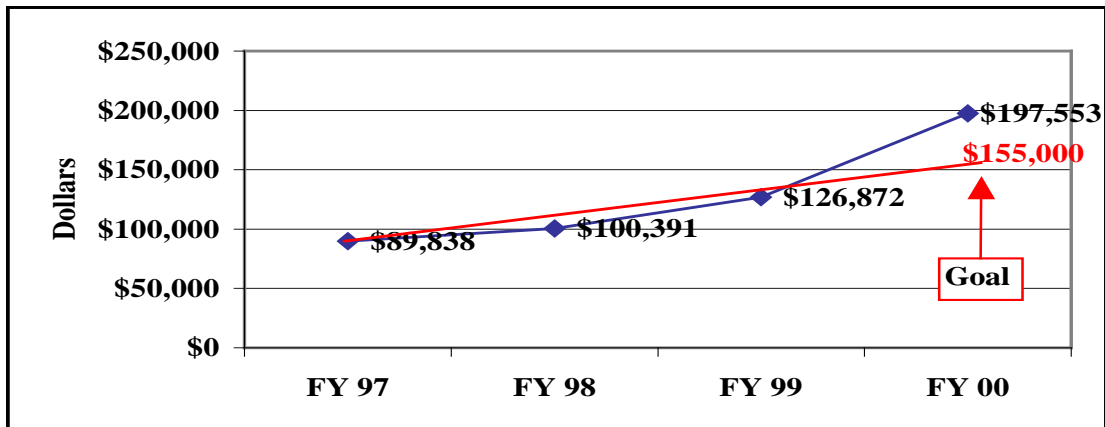
PBX User Migration



Business Results – Division of Operations

6. Produced \$197,553 in monthly cost savings through the use of internal technicians rather than external vendors.

Monthly Cost Savings Using Internal Technicians

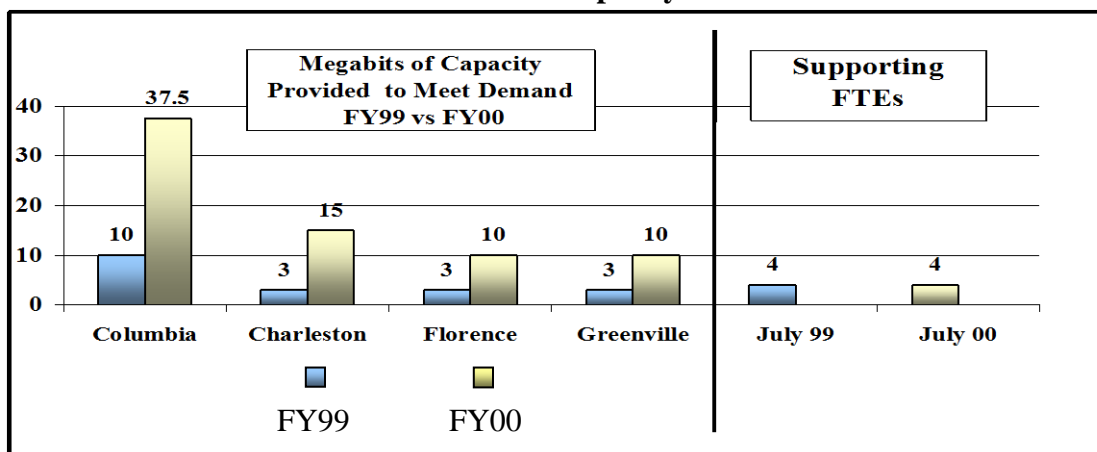


7. Maintain quality service for voice and data networks through proper network design and implementation.

- **Data**

- Responded to the rapidly increasing demand for Internet access while minimizing the staff required to support this infrastructure.

Internet Capacity



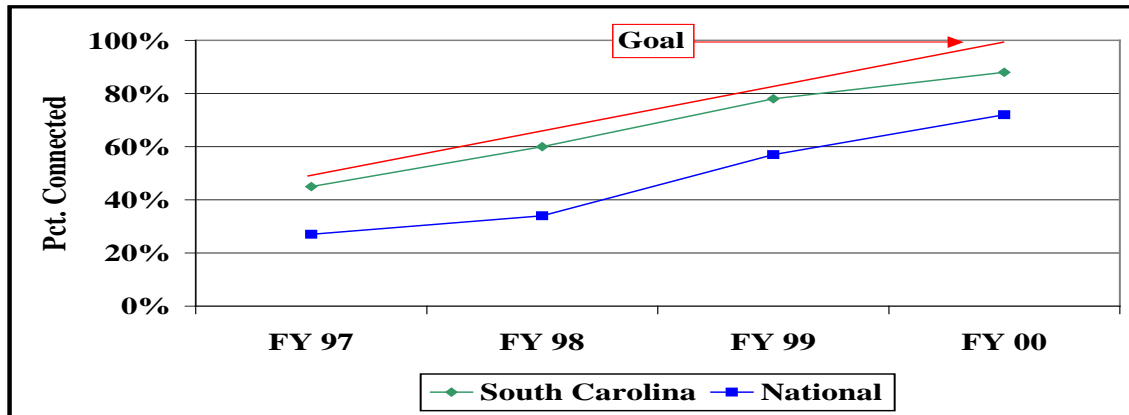
- **Voice**

- Provided the best grade of telephone service possible for both incoming and outgoing calls: PO1 Grade of Service while the national average is a PO3 Grade of Service. (PO1 is one busy signal/blocked call for every 100 calls, PO3 is three busy signals/blocked calls for every 100 calls.)

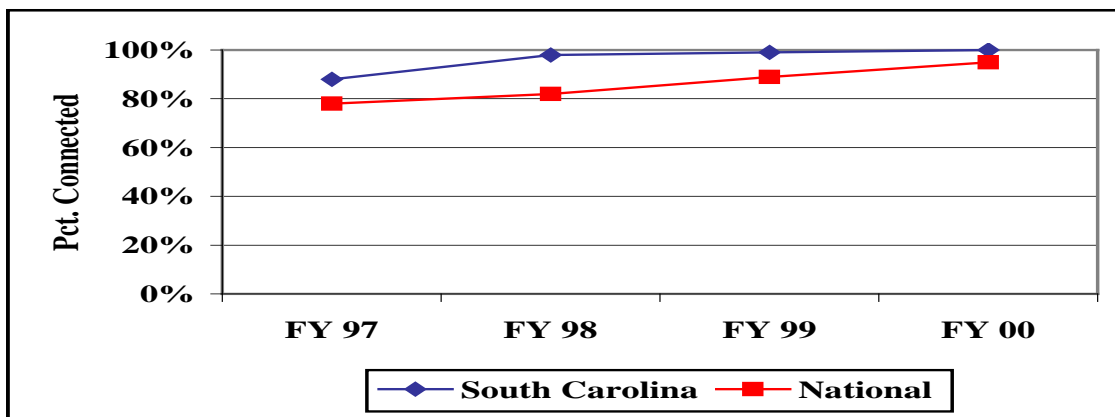
Business Results – Division of Operations

8. Connected 100 percent of school districts, K-12 sites and public libraries to the Internet. Of these, provided 86 percent of schools and 45 percent of libraries with T-1 or greater bandwidth.

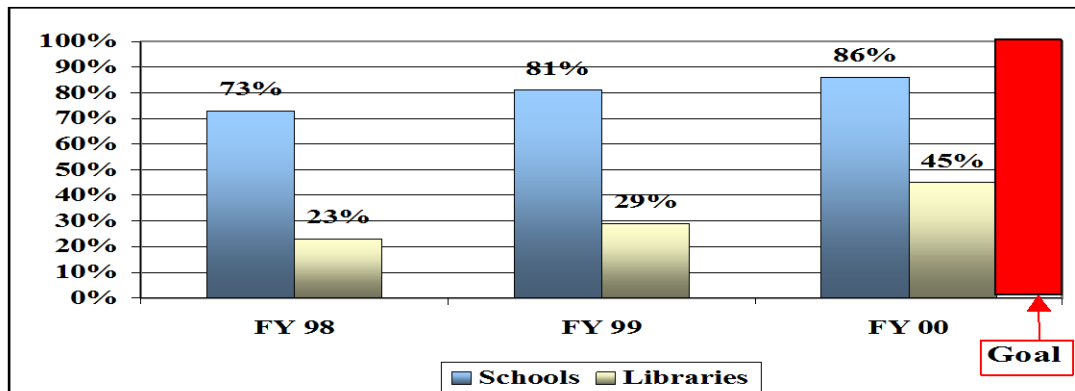
Public Classrooms Connected to the Internet



Public Schools Connected to the Internet



Schools and Libraries with T-1 or Greater Bandwidth



Management goal is 100 percent in both categories.

Business Results – Division of Operations

Name: Information Systems Operations (ISO) Data Processing

Cost: State: \$
Federal:
Other: \$ 25,258,027
Total: **\$ 25,258,027**

Goals: To provide information technology and printing services, local area network (LAN)/personnel computer support, and Web authoring services to state agencies and institutions; to provide cost effective quality planning, acquisition, use and management of information technology.

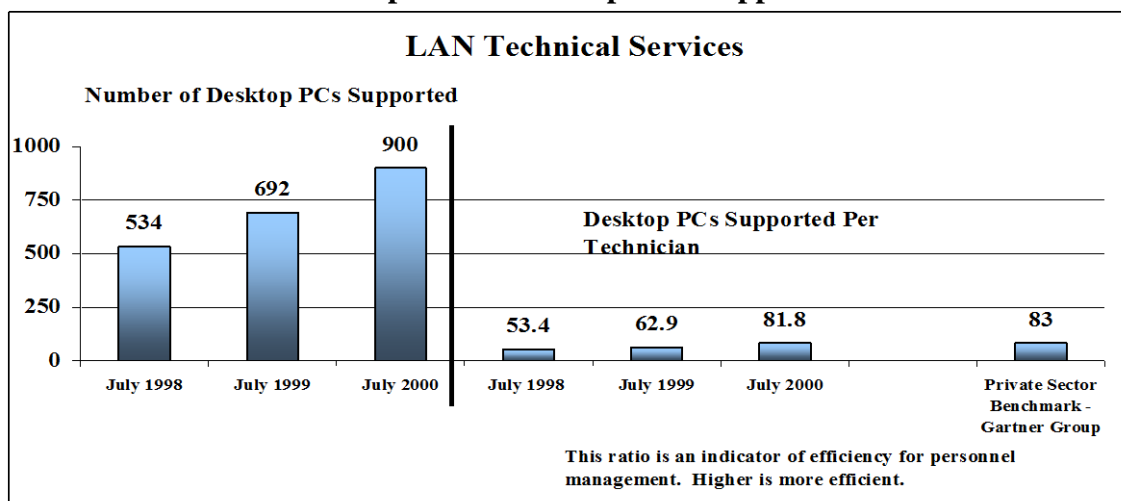
Objectives:

1. To respond to the demand for desktop personal computers and servers supported for customers and concurrently increase the number of each supported per technician.
2. To maintain local area network (LAN) availability at 99 percent.
3. To continue the consolidation of state agency data centers into a single State Data Center while realizing cost savings significantly below projections.
4. To maintain mainframe processor availability at 99 percent.
5. To respond to the growing requirements of customers for increased demand for processing capability.
6. To ensure all systems are Year 2000 compliant.
7. To deliver 99% of printing jobs from the Print Shop on schedule and at a competitive price.

Key Results:

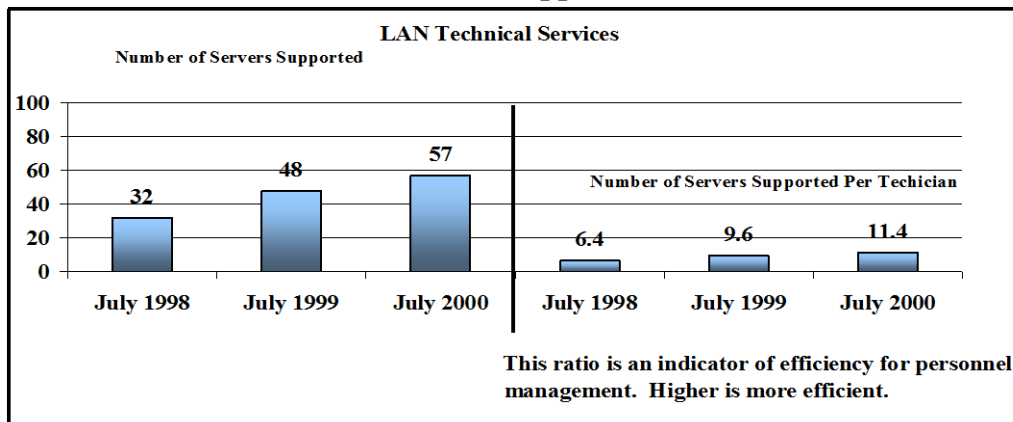
1. Increased both the total number of desktop personal computers supported and the number of personal computers supported per technician by 30 percent to a total of 900 computers and 81.8 computers per technician.

Desktop Personal Computers Supported



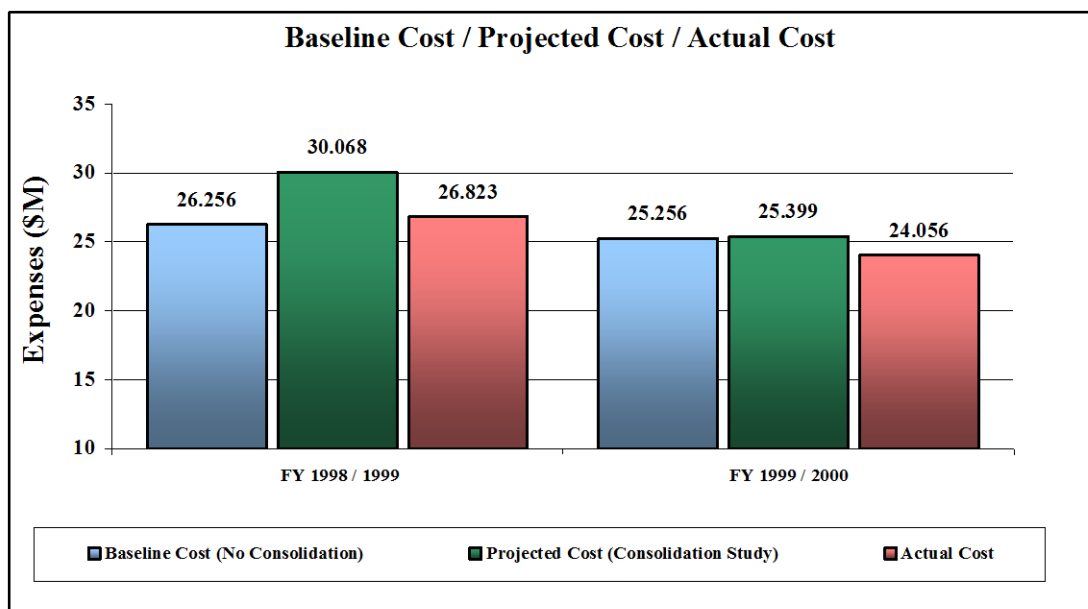
Business Results – Division of Operations

Servers Supported



- Local area network (LAN) availability maintained at the management goal of 99% for the third consecutive year.
- Six of 11 target agency data centers have been consolidated. During the next fiscal year, data processing operations for the remaining 5 agency data centers are scheduled to be migrated to the State Data Center. In FY 1999-2000, the cost of operating in a partially consolidated environment was \$1,200,435 less than operating in a non-consolidated environment. The Data Center Consolidation Study estimated for FY 1999-2000 the cost of operating 11 agency data centers in a totally non-consolidated environment would have been \$25,256,188. The study also projected a second year (FY 1999-2000) consolidation cost of \$25,398,594. The actual costs of operating in a partially consolidated environment this year was \$24,055,753.

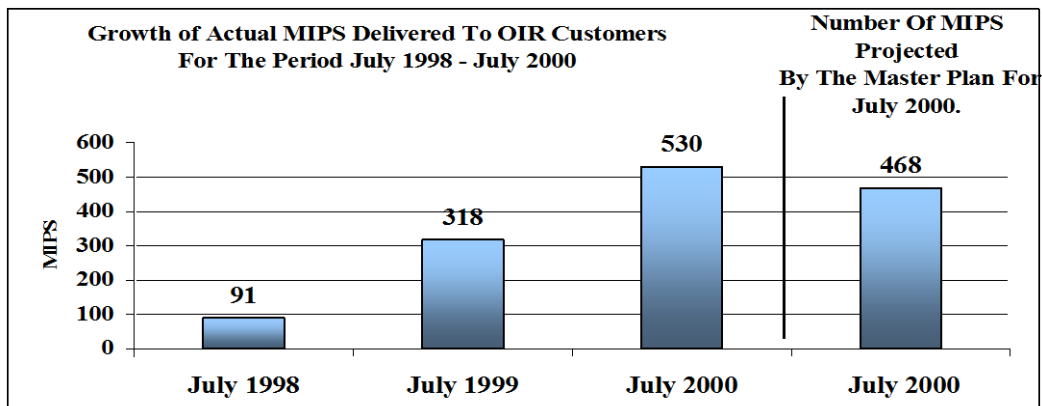
Data Center Consolidation



Business Results – Division of Operations

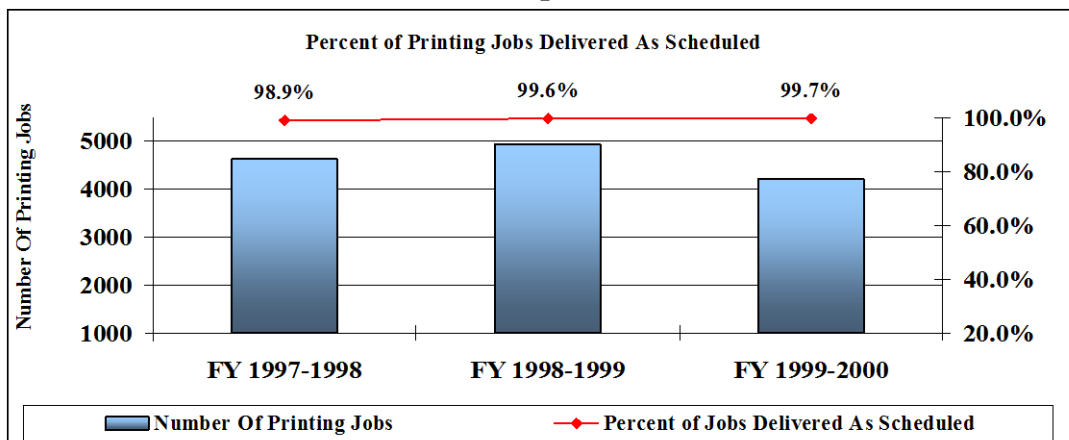
4. Maintained mainframe processor availability at the management goal of 99 percent for the third successive year.
5. The master plan for data center consolidation projected the capacity for the two mainframe processors installed at the State Data Center would be 468 MIPS (millions of instructions per second) by the end of FY 2000. This projection was 13 percent less than customer agencies actually required by July 2000. To meet these growing demands, the two mainframe processors were upgraded to a total of 530 MIPS to provide for more computing capacity.

Mainframe Computing Capacity



6. Responded to Year 2000 challenge by renovating all systems to achieve 100% Y2K compliance.
7. For the 3rd consecutive year, achieved an approximate 99% rate of on-time delivery of print jobs. A survey comparing the cost of print jobs at the BCB Print Shop with private sector print shops indicated the cost of BCB print jobs was 15% less than the same jobs in the private sector. Customer satisfaction survey indicates 78% of print shop clients rate printing services as good/very good.

Print Shop Services



Business Results – Division of Operations

Name: Administrative Services

Cost: State: \$
Federal:
Other: \$2,210,306
Total: **\$2,210,306**

Goals: To provide the financial and administrative services necessary to enhance the quality of information technology and communication services that the Office of Information Resources provides to its customers.

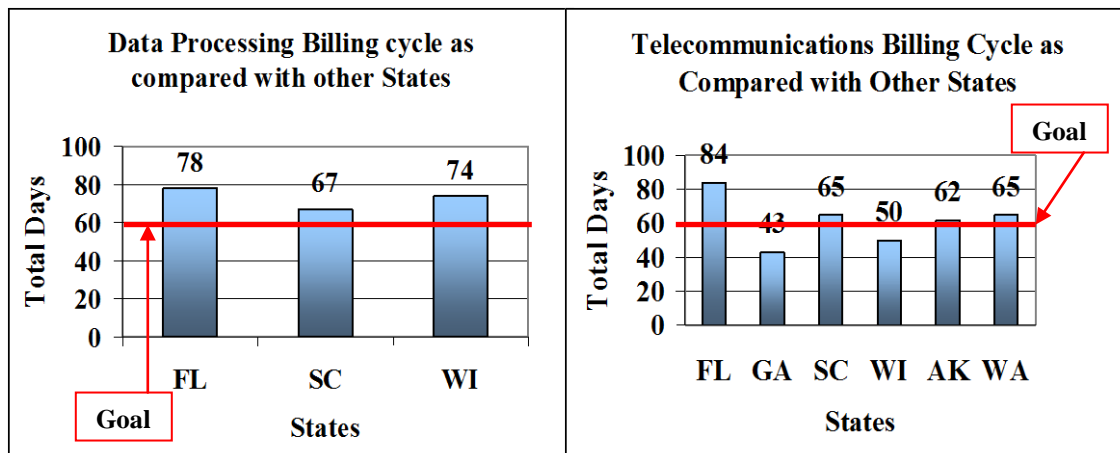
Objectives:

1. To maintain the financial viability and integrity of the Office by ensuring that services are billed and revenue is collected within 60 days.
2. To ensure quality customer relations by processing accounts payable within 10 days.
3. To ensure employees are duly recognized for their contributions to the organization.

Key Results:

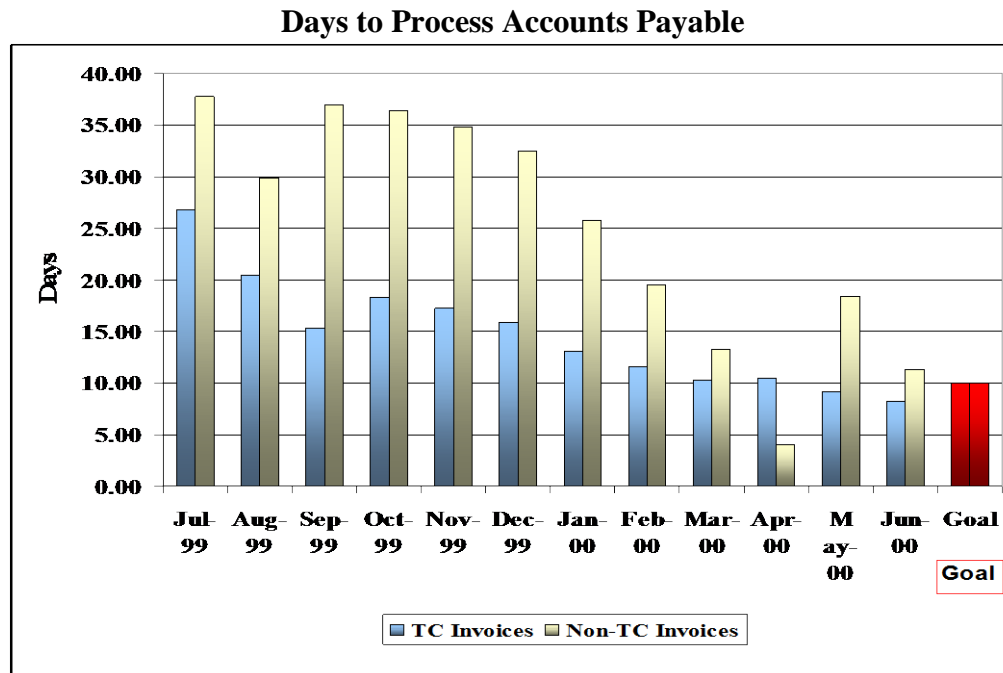
1. The data processing billing cycle averaged 67 days this fiscal year, 8 percent less than comparable states that maintain such data. The telecommunications billing cycle averaged 65 days this fiscal year, slightly above comparable states.

Data Processing and Telecommunications Billing Cycles



Business Results – Division of Operations

- Processed telecommunications invoices in an average of 11 days; processed non-telecommunications invoices in an average of 8 days.

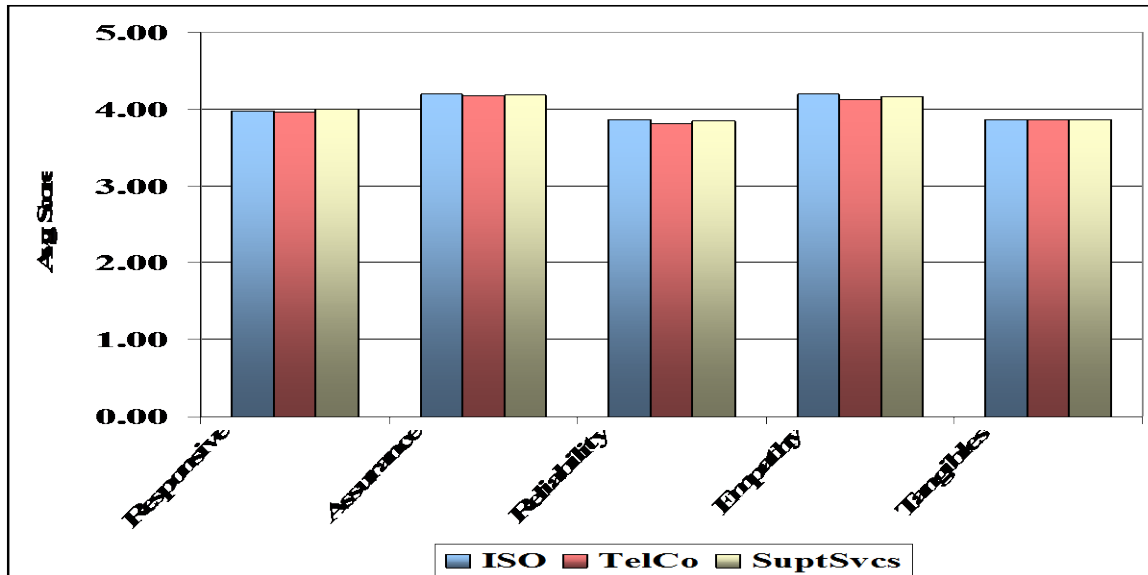


- Forty employees were recognized for superior performance in the 3rd quarter and 86 were recognized in the 4th quarter. The Awards and Recognition program was started in OIR in January, 2000 to honor employees who contribute to the success of the organization in the areas of customer service, improving work processes, teamwork, morale or personal development.

Business Results – Division of Operations

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very unsatisfactory) to 5.0 (very satisfactory) with 3.0 being neutral. Overall customer satisfaction with the Office is:



While the “Reliability” and “Tangibles” dimensions of customer satisfaction scored above average, they were ranked somewhat lower than were the other dimensions. Reliability addresses the ability to perform promised services accurately and Tangibles addresses customer satisfaction with the forms, documents and other written materials originated by the Office of Information Resources. The scores indicate that these areas may be candidates for process improvement activity.

Business Results – Division of Operations

Office of Insurance Services

Mission: The mission of the Office of Insurance Services is to provide comprehensive benefit programs and property and liability insurance programs for all eligible participating entities at the lowest possible cost while maintaining program stability through sound financial management while serving our customers in an efficient and responsive manner.

Name: Insurance Benefits Management

Cost:

State:	\$
Federal:	
Other:	<u>\$5,574,531</u>
Total:	\$5,574,531

Goals: To provide an attractive, competitive benefits package to the South Carolina public sector and to operate in a responsive and customer-oriented manner in all program functions.

Objectives:

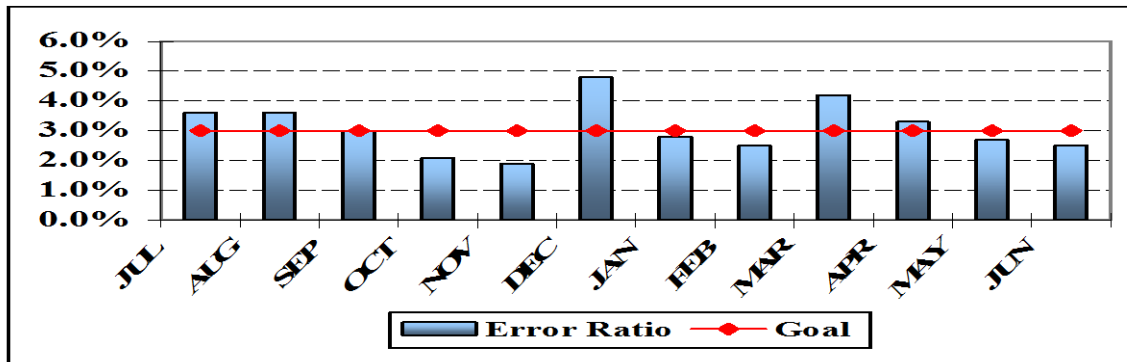
1. To process enrollment changes with no greater than a 3% error rate.
2. To process administrative exceptions requests within 1 day.
3. To respond to telephone requests within one day of call and written requests within 10 days of receipt of correspondence.
4. To collect billed premiums due by the 10th of the month.
5. To have positive net migration into the State Health Plan each year.
6. To have contribution rates in the State Health Plan that are favorable in comparison with national and regional state employee plan averages.
7. To restrain State Health Plan expenditure growth to a level below that identified for similar type insurance plans.

Business Results – Division of Operations

Key Results:

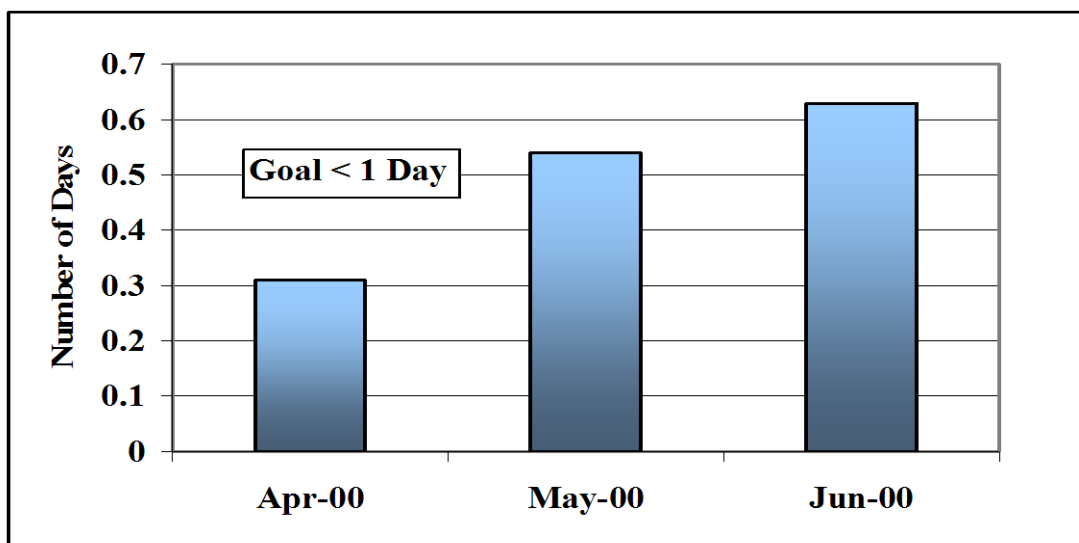
1. Achieved the goal of a 3% error rate in processing enrollment changes in 7 of 12 months of the fiscal year. Of all entries made into the enrollment system, this represents those entered erroneously. During this period, the rate ranged from a low of just under 2 percent in November to just under 5 percent in December.

Aggregate Processing Ratios



2. Benefits administrators request exceptions to enrollment administrative policy for a number of reasons. It is desirable for decisions on these requests to be made in an expeditious manner. In the 3 months that this data was collected, the chart indicates that the average time for administrative exception request processing was well under one day.

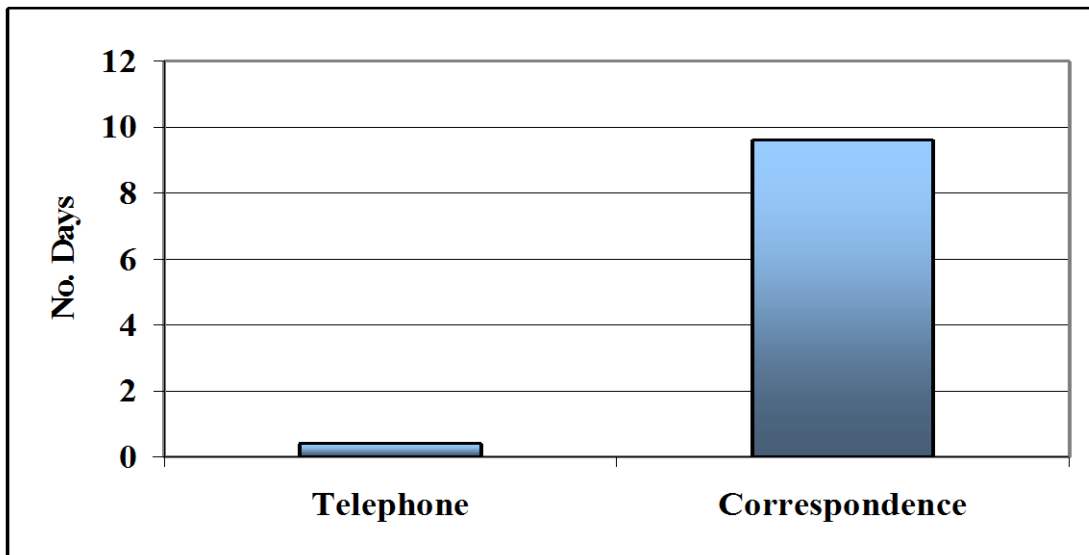
Administrative Exceptions Average Processing Time



Business Results – Division of Operations

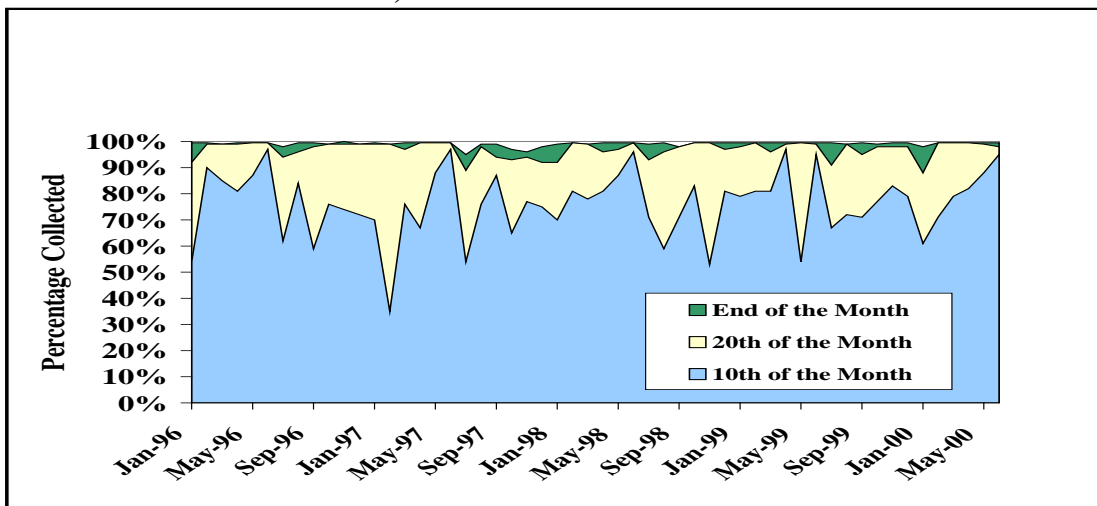
3. It is desirable to respond to inquiries in a prompt manner. In the month that response time was recorded, the average time to respond was well less than one day for telephone inquiries, and less than 10 days for written inquiries.

Customer Service Response Time



4. Monthly bills sent to employers for insurance premiums specify a due date of the 10th of the month. The chart demonstrates that since January 1996, a majority of funds have been received by the 10th of the month in every month except one. Almost all funds have been received by the 20th, and an infinitesimal amount was not received by the end of any month.

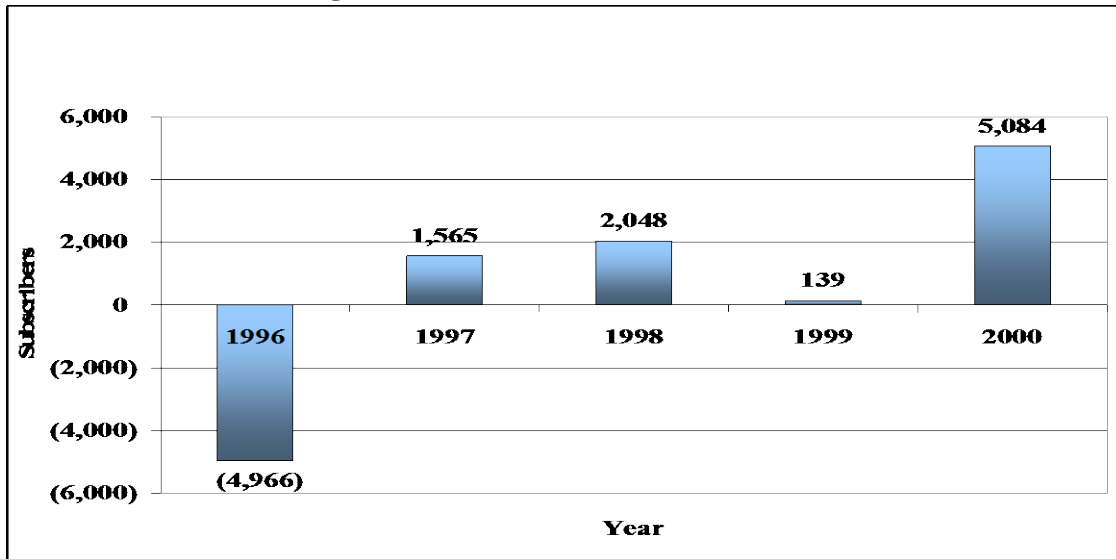
Percentage of Funds Collected by the 10th, 20th and End of the Month



Business Results – Division of Operations

5. Every year, health insurance program enrollees have the opportunity to move between the State Health Plan and HMO offerings. Net migration, movement of subscribers into or out of the State Health Plan, is an indication of perception of the relative value of the available options. In the past 5 years, there was net migration out of the State Health Plan only in 1996, whereas in the most recent 4 years, the State Plan experienced net in-migration.

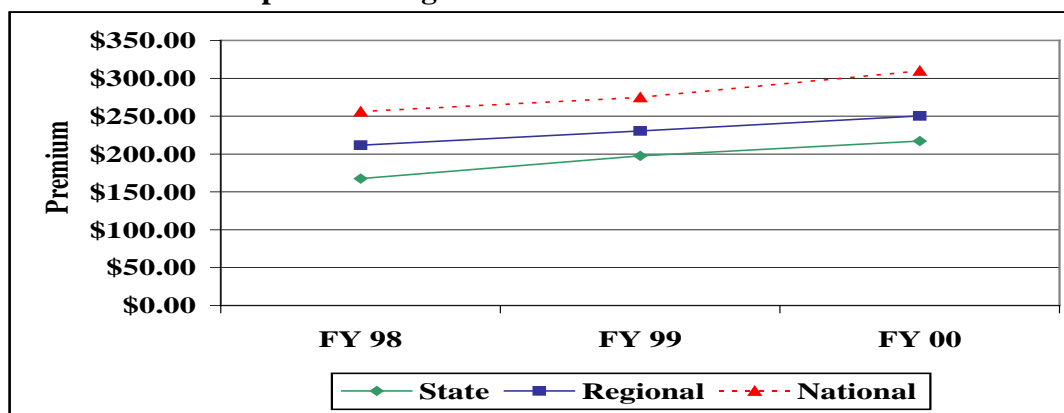
Net Migration to State Health Plan From HMOs



Business Results – Division of Operations

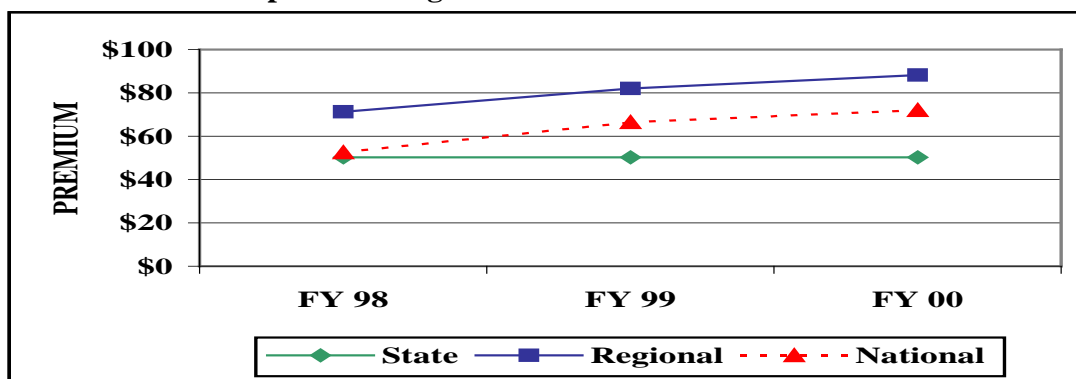
6. OIS benchmarks State Health Plan contribution rates with those of similar state employee health plans both regionally and nationally. Analysis of South Carolina employer contributions indicates that in each of the 3 years in which this information was collected, this state's rates were considerably below those of regional peer plans (\$217/mo vs. \$257/mo in 2000), and even more substantially below the national average of state employee plans (\$217/mo vs. \$321/mo in 2000). The rate of increase appears to be similar for South Carolina, regional and national plans.

**Benchmark of State Health Plan Employer Contribution
Compared to Regional and National Contributions**



7. Analysis of South Carolina employee contributions indicates that in 1998, this state's rates were similar to the national average, but well below the regional average. While South Carolina's rates have remained static for the 3 years, both national and regional averages have grown such that the state's employee rates are now well below those of the nation (\$50/mo vs. \$73/mo in 2000) and the region (\$50/mo vs. \$87/mo in 2000). Reversing the situation with the employer contribution, the regional average employee contribution is well above that of the nation as a whole.

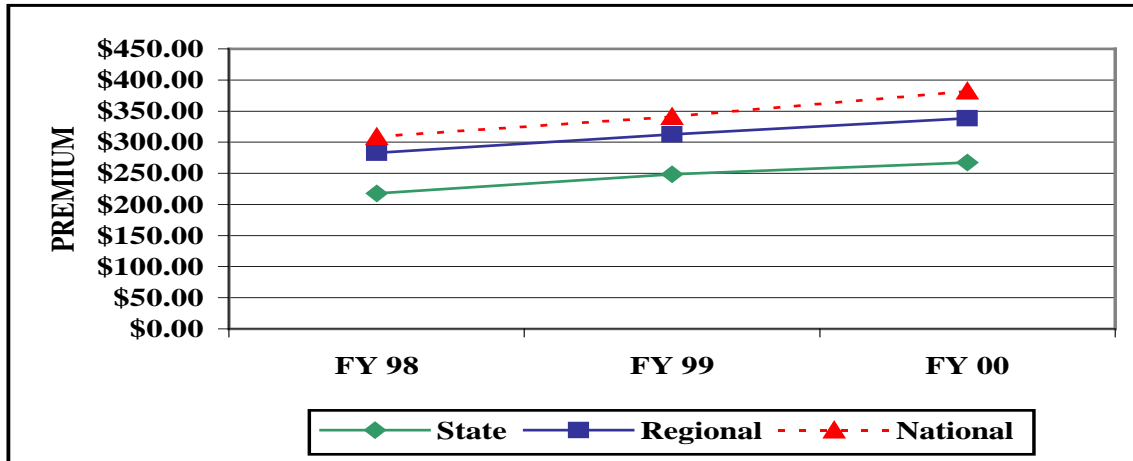
**Benchmark of State Health Plan Employee Contribution
Compared to Regional and National Contributions**



Business Results – Division of Operations

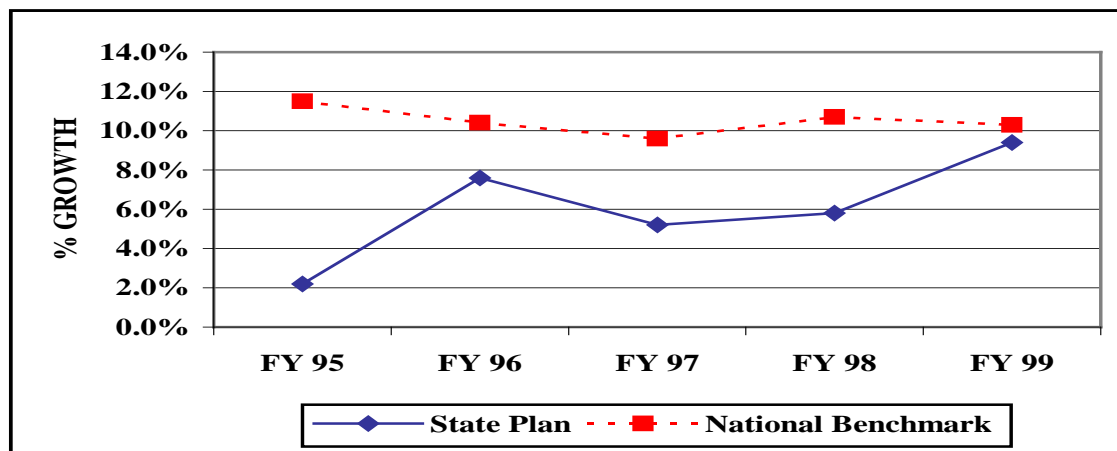
8. Analysis of South Carolina total contributions indicates that these rates are well below those of the region (\$267/mo vs. \$344/mo in 2000) and nation (\$267/mo vs. \$394/mo in 2000), and have been so since 1998, the first year in which this information was collected. The rate of growth appears similar for South Carolina, regional and national plans.

Benchmark of State Health Plan Total Contribution Compared to Regional and National Contributions



9. OIS benchmarks claims expenditure growth in the State Health Plan with trend rates published by insurance industry sources for similar type plans. For each of the past 5 years, State Plan growth has trailed behind that of “managed indemnity/PPO” type plans, the category that most approximates the State Health Plan. While from 1995 through 1998, Plan growth was considerably below the benchmark number. In 1999, expenditure increase approached the percentage observed industry-wide.

Benchmark of Claims Payment Growth Compared to National Sources of Similar-Type Plans



Business Results – Division of Operations

Name: Insurance Reserve Fund (IRF)

Cost: State: \$
Federal:
Other: \$4,054,158
Total: \$4,054,158

Goal: To provide secure, reliable insurance in a package meeting the unique needs of government at an attractive price level.

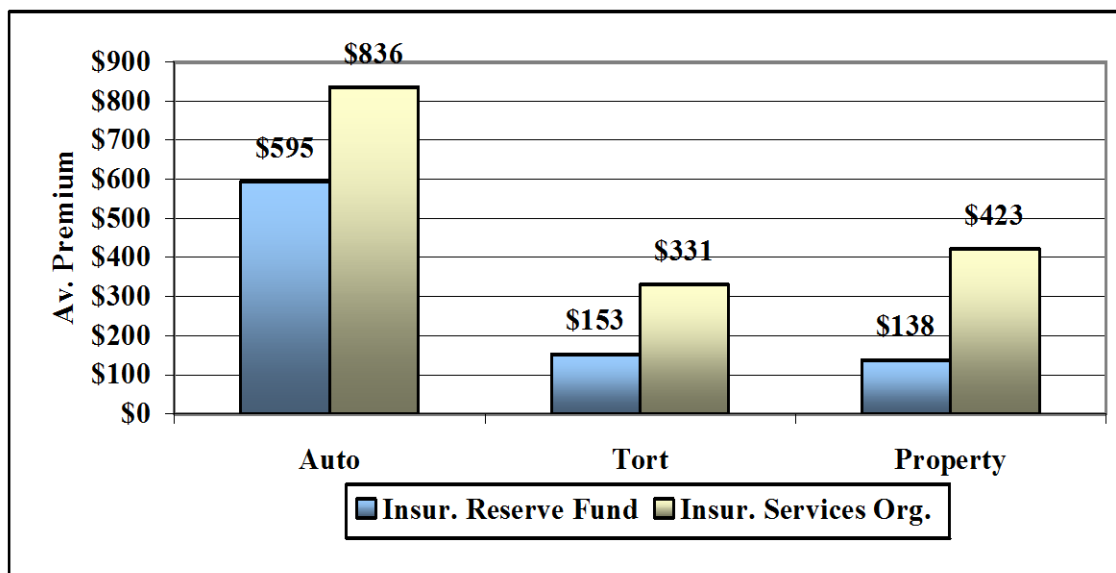
Objectives:

1. To provide insurance at premium levels below commercial levels and to provide risk funding comparable to national benchmarking figures.
2. To settle liability claims without delay and to avoid litigation.
3. To issue renewal insurance policies on a timely basis.
4. To maintain the financial assets necessary to fund catastrophic losses such as earthquakes or hurricanes.

Key Results:

- 1.A.** IRF has an objective to provide insurance at a lower cost than commercial insurers. Insurance Services Office (ISO) is a national rate-making organization and their rates are used by many commercial insurers. The graph below shows that IRF rates are significantly lower than ISO rates and demonstrates that IRF has been successful in meeting its objective.

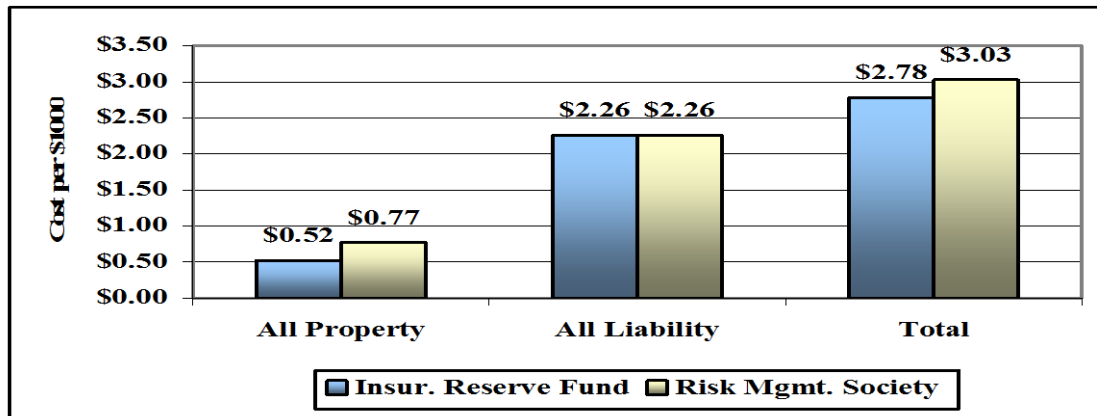
**Benchmark of South Carolina Insurance Reserve Fund Rates
Compared to National Insurance Services Organization Rates**



Business Results – Division of Operations

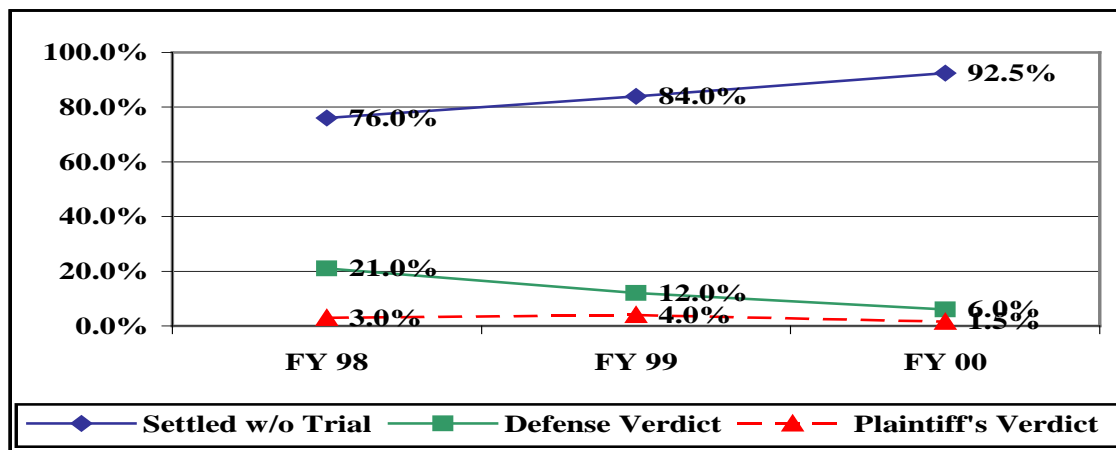
- 1.B.** RIMS (Risk and Insurance Management Society) publishes an annual Benchmark Survey. IRF has used data from the State Budget to calculate South Carolina State Government “cost of risk per \$1000 revenue” for comparison. IRF’s objective is to provide risk funding at a cost which is comparable to national benchmarks. The graph below shows that the South Carolina “cost of risk per \$1000” is equal to or less than the RIMS benchmark.

Benchmark of South Carolina Insurance Reserve Fund Cost per \$1000 Compared To National Risk Management Society Cost per \$1000 for Government



2. IRF tracks claims statistics to determine the percentage of claims resolved before trial and, to those cases tried, the percentage of defense and plaintiff verdicts. By resolving claims before trial and by trying claims which are not owed, IRF seeks to meet its objective of settling liability claims without delay while avoiding litigation. The graph below indicates the number of claims resolved before trial has increased over the past three years, the number of cases tried has decreased, and that the IRF has been quite successful in defending cases which have been tried.

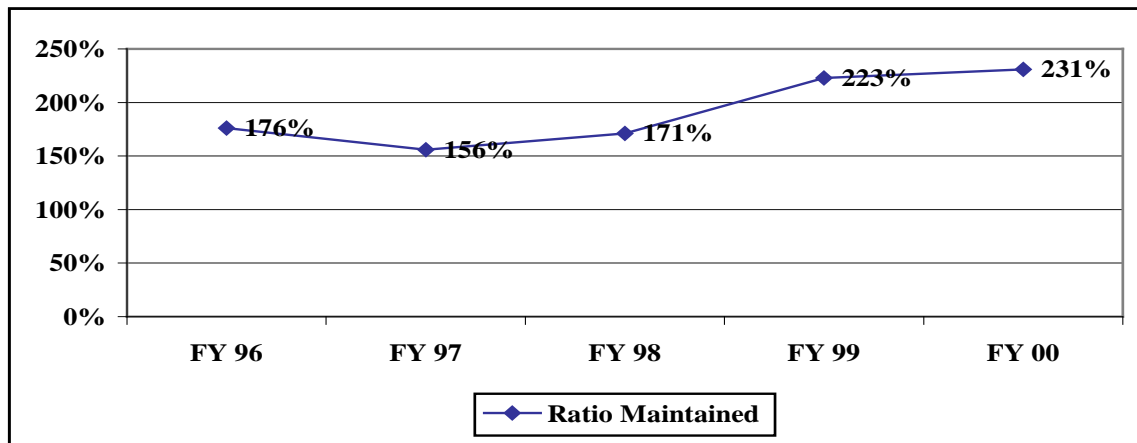
Percentage of Tort Liability Claims Settled Without Trial, Tried Resulting in a Defense Verdict, and Tried Resulting in a Plaintiff’s Verdict



Business Results – Division of Operations

3. Renewed 75.6 percent of all insurance policies on or before their renewal date. This number has remained relatively unchanged since FY 95.
4. IRF seeks to maintain assets between 150 percent and 250 percent of written premium based on national actuarial estimates of the reserve needed to manage South Carolina's exposure to catastrophic risk. The graph shows that IRF has been successful in maintaining assets in the target range during the past 5 years.

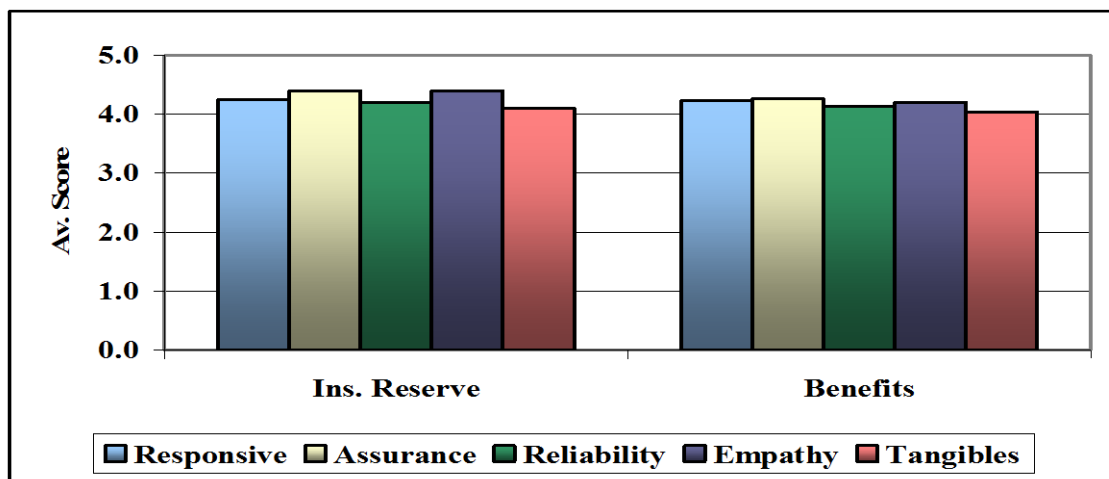
**South Carolina Insurance Fund
Ratio of Written Premium to Fund Assets**



Customer Satisfaction

Customer satisfaction scores range from 1.0 (very unsatisfied) to 5.0 (very satisfied) with 3.0 being neutral. Satisfaction with the programs of the Office of Insurance Services is:

Customer Satisfaction



Business Results – Division of Budget and Analyses

Office of State Budget

Mission: The mission of the Office of State Budget is to accurately and efficiently support the governor, General Assembly, and Budget and Control board in the development and implementation of the annual state budget and other Fiscal matters in a manner which provides quality services to the citizens of South Carolina. It can be divided into the following functions:

- Budget Development includes all functions related to assisting the Governor and General Assembly in developing the recommended year's budget.
- Budget Execution includes all functions related to implementing the current year's appropriations.
- Reports and Special Projects include analyses, publications and procedures which support budgetary decision-making.

Name: **Office of State Budget**

Cost:

State:	\$1,411,080
Federal:	
Other:	\$ _____
Total	\$1,411,080

Goals: To provide reliable, accurate, timely, independent financial and budgetary information related to the appropriation and expenditure of funds by state government to the Governor, General Assembly, Budget and Control Board, state agencies and the general public.

Objectives:

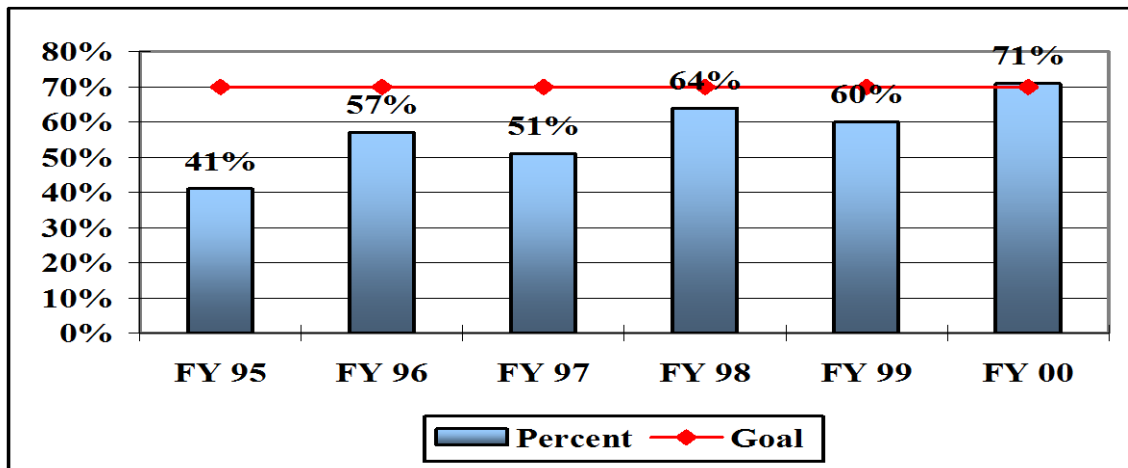
1. To review and analyze pending legislation and prepare accurate and timely fiscal impact statements for legislative committees within 14 days of receipt or less.
2. To monitor the allocation, expenditure, and utilization of state, federal, and other funds, reviewing and executing appropriation transfer requests within 5 days of receipt.
3. To monitor and assist in the control and management of the number of authorized full-time equivalent positions.
4. To provide oversight, review, and authorization of federal and other funds in accordance with state law, policies, and procedures within 5 days of receipt.

Business Results – Division of Budget and Analyses

Key Results:

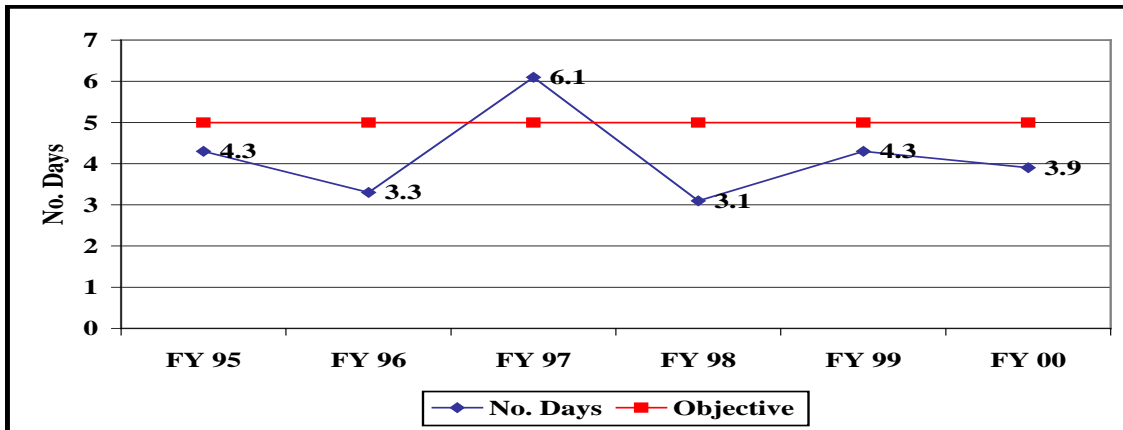
1. Prepared 71 percent of fiscal impact statements on pending legislation within 14 days of receiving requests, within 1 percent of the management goal.

**Percentage of Fiscal Impact Statements
Prepared in 14 Days or Less**



2. Reviewed and executed all appropriation transfer requests within an average of 3.9 days, below the management goal of 5.0 days.

**Average Number of Days to Review and Execute
Appropriation Transfer Requests**

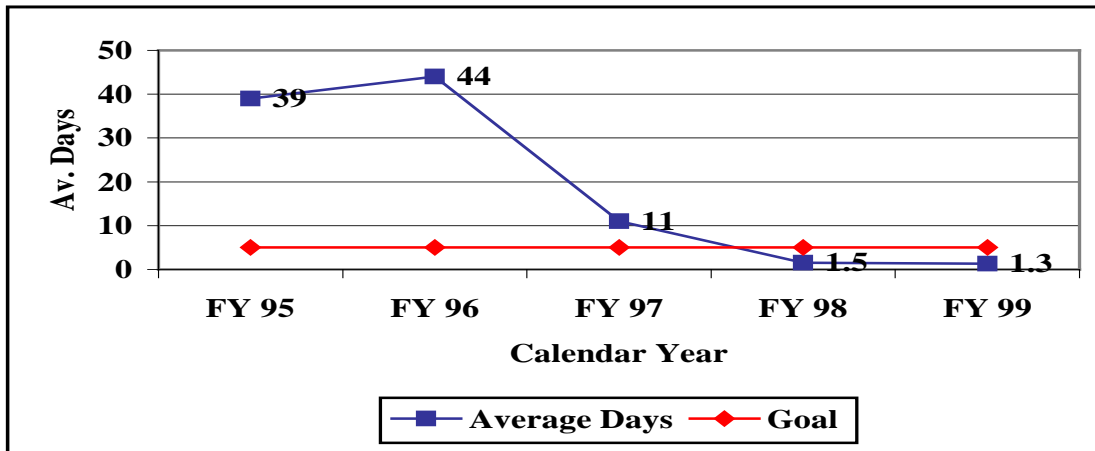


3. Monitored and managed the statewide FTE vacancy rate, now standing at 8.5 percent, including all sources of funding.

Business Results – Division of Budget and Analyses

4. Reviewed and established or increased Federal and other funds authorizations within an average of 1.3 days, well below the management goal of 5 days.

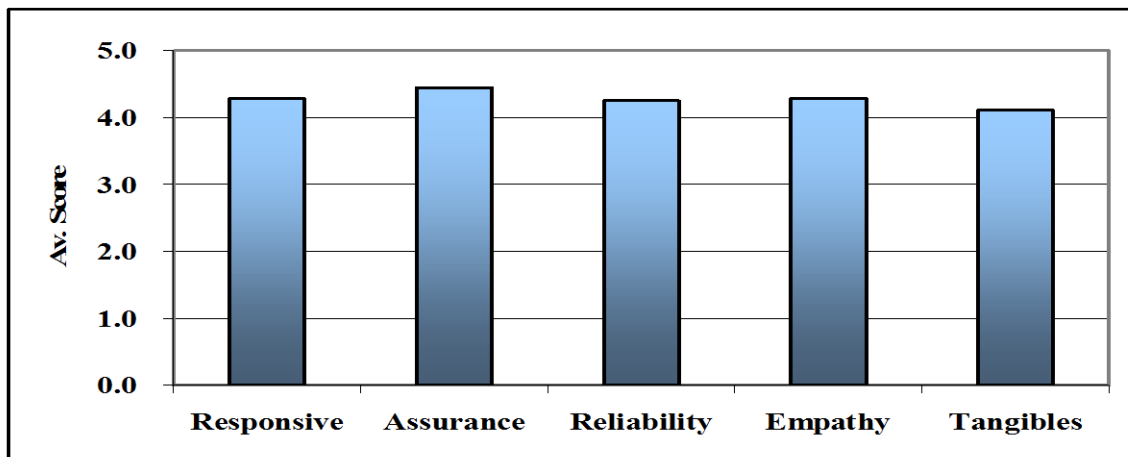
Average Number of Business Days to Review and Establish/Increase Federal and Other Funds Authorization



Customer Satisfaction

Customer satisfaction scores range from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. Customer satisfaction with the services provided by the Office of State Budget is:

Customer Satisfaction



Business Results – Division of Budget and Analyses

Office of Human Resources

Mission: The Office of Human Resources partners with our customers to create excellence in human resources. The Office will meet that mission by supporting agency directors and human resources managers in developing effective agency human resources management programs that meet their needs.

Our vision is to provide state government with the best human resources program development, consultation and delivery. We will accomplish this through a unified staff that coordinates strengths and talents to effectively serve our customers.

Benchmarks: Benchmarks for many of the functions of the Office of Human Resources are difficult to identify. The decentralized nature of our human resources system prohibits direct comparisons with many other like organizations. OHR is used as the benchmark for many decentralized human resources functions in other states. We are aggressively pursuing benchmarks in areas where they exist and creating benchmarks in others. Several are noted in this report.

Name: **Human Resources Consulting Services (HRCS)**

Cost:	State:	\$907,236
	Federal:	
	Other:	_____
	Total:	\$907,236

Goals: To develop and administer effective, flexible statewide employee relations, classification, and compensation programs for the agencies of state government.

Objectives:

1. To continue to develop flexible HR system options and, through marketing, increase the use of options by agencies by 10%.
2. To manage the state classification and compensation plan, including:
 - managing delegated classification and hire-above-the-minimum programs as indicated by completing 100% of required delegation audits over a two-year period;
 - supporting the legislature in its annual pay plan development by responding to 100% of requests for information within five days of request; and
 - conducting legislatively directed occupational studies within the specified time frame, and conducting other compensation studies to address market equity needs as required.

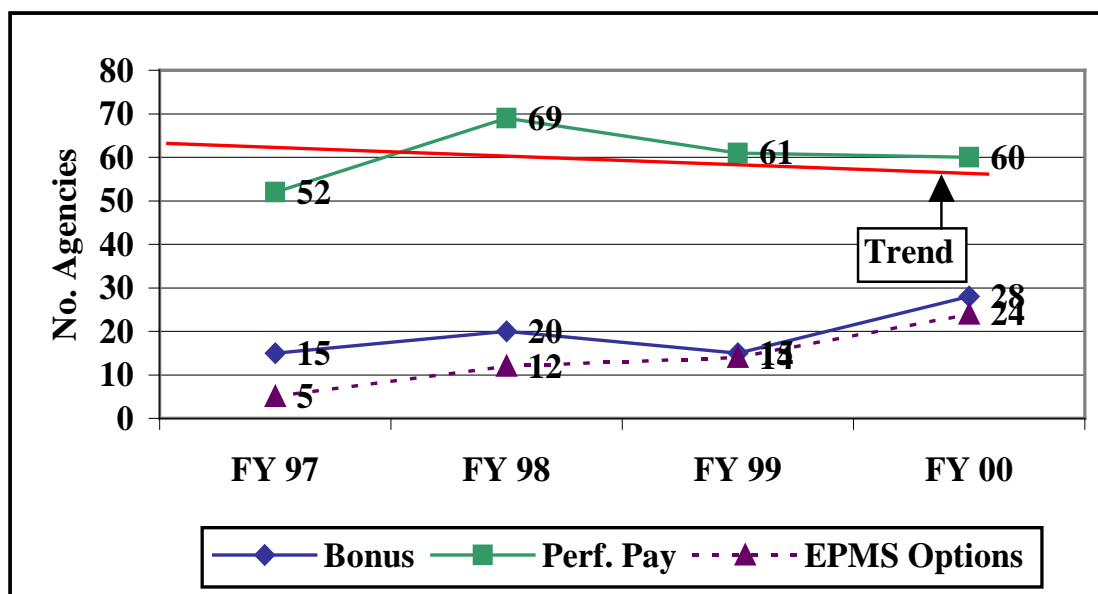
Business Results – Division of Budget and Analyses

3. To provide timely and thorough analysis and information to support the Agency Head Salary Commission on 100% of hiring and performance increase decisions for all covered positions.
4. To provide high quality consulting services to state agencies by assisting them in improving their human resources programs to better accomplish the mission of their agencies as indicated by a customer satisfaction rating of 4.0 or better on 5 point scale.
5. To design and maintain an accessible automated human resources information system and process employee and position information as needed by state employees as evidenced by an increase in usage of all optional HRIS modules.

Key Results:

1. Increased the use of HR system options by agencies by 11.6% in FY 99-00. In a benchmarking study prepared for the State of New Jersey in July 2000, South Carolina was cited as a best practice for integrating these concepts into the design of the compensation and employee relations systems.

Agencies Using Flexible HR System Options



2. a) HRCS performed audits of the delegation programs for 54 agencies (100%), representing 7,507 classification actions and 8,892 hire-above-minimum actions approved at the agency level. Eight agencies required changes to improve program effectiveness.
- b) Provided 100% of reports and other data in response to 25 requests for information by the General Assembly, other state governments, or other interested parties within five days.
- c) In cooperation with various agencies, completed compensation studies of 22 groups of positions resulting in salary adjustments to address market equity needs for

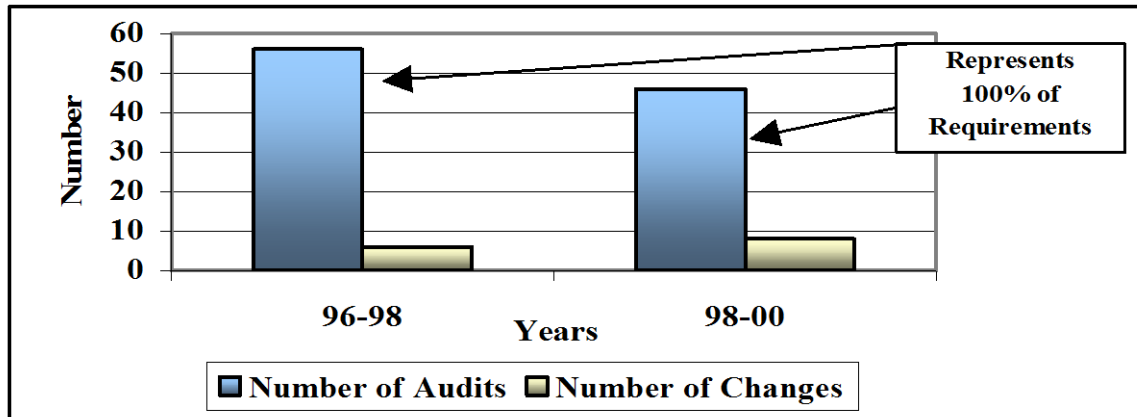
Business Results – Division of Budget and Analyses

9,932 employees.

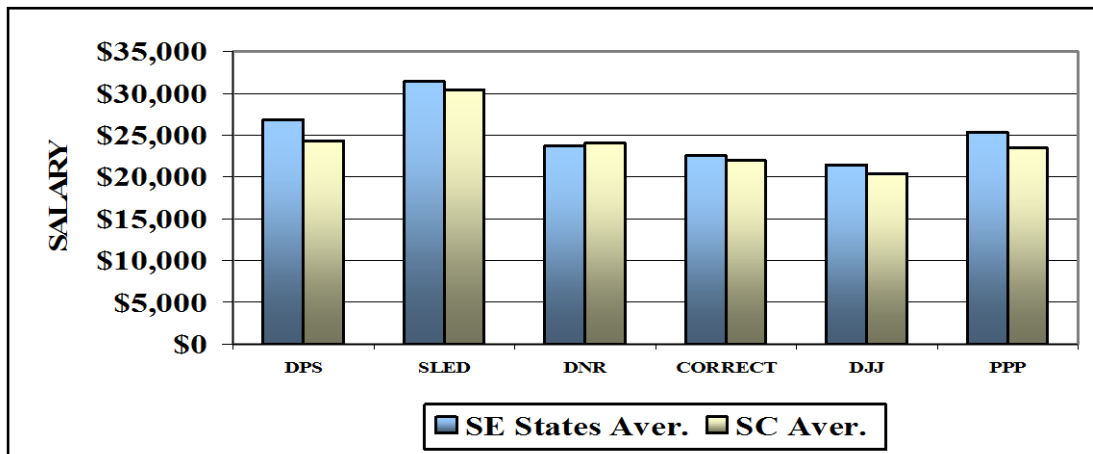
d) In response to legislative mandates, completed studies of the salaries and career paths for the State's law enforcement positions and of the salary structure for members of the State's judiciary by 1/1/00.

The results of the completed law enforcement study are provided.

Delegation Audits



Law Enforcement Entry Level Salary Comparisons



Result: South Carolina Average is within 4.5% of the Southeastern States Average

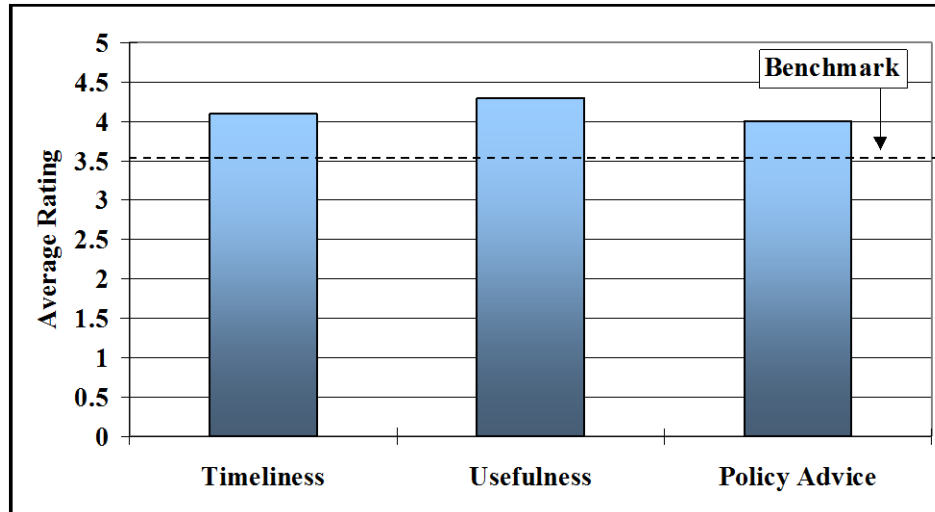
- Supported the Agency Head Salary Commission by meeting required timeframes 100% of the time in the hiring of eight new agency heads and the determination of 40 performance increases for agency heads.
- The HRCS program received excellent survey feedback (over 4.0 on a 5 point scale) from agency customers in the following key areas: (1) Responding quickly to requests; (2) Usefulness of advice provided; and (3) Helpfulness of assistance

Business Results – Division of Budget and Analyses

provided in policy development; (4) Responding quickly to requests; (5) Usefulness of advice provided; and (6) Helpfulness of assistance provided in policy development.

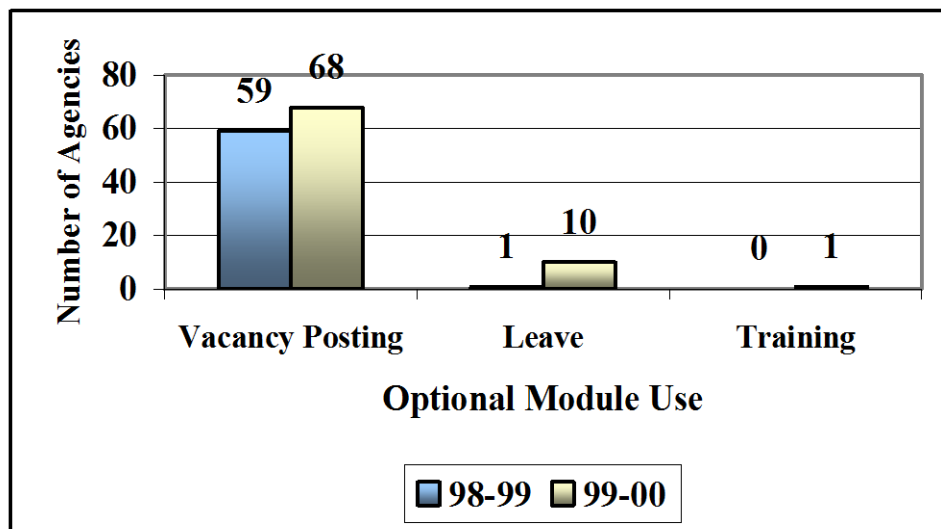
Benchmark: American Customer Satisfaction Index (ACSI) data indicates satisfaction levels for the Federal Office of Personnel Management (OPM) at 75%. HRCS exceeded that satisfaction level by 5 percent or more on all 16 questions asked of state agencies.

Customer Satisfaction with HRCS Services



5. In the past year, HRCS saw an increase in the number of agencies using each optional module of the Human Resources Information System. Optional modules available to agencies are vacancy posting, leave and training.

Agencies Using Optional HRIS Modules



Business Results – Division of Budget and Analyses

Name: Grievance and Mediation Services

Cost: State: \$255,887
Federal:
Other: _____
Total: \$255,887

Goals: To create excellence in human resources through administration of the State Employee Grievance Process and encouraging the use of alternative dispute resolution in state agencies, avoiding the significant costs of Committee hearings and arbitration conferences.

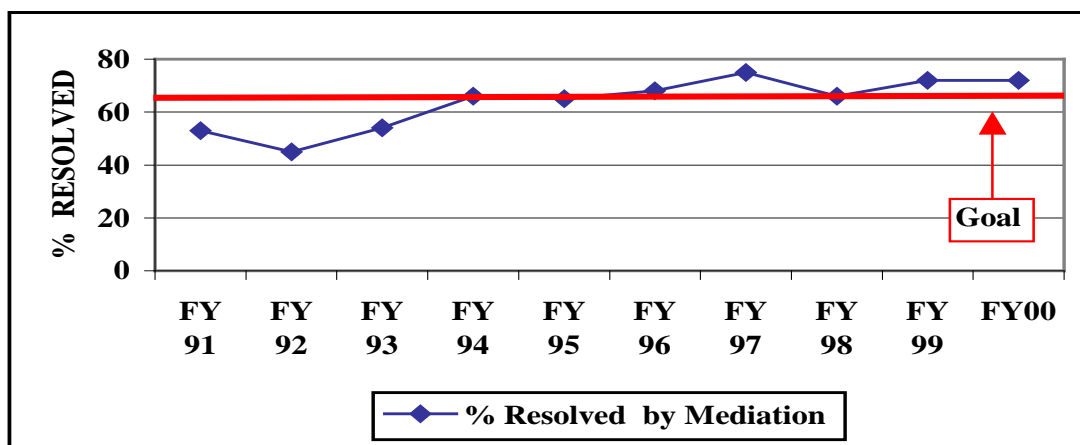
Objectives:

1. To maintain the number of appeals resolved through mediation agreements at the State level within the normal success range of 60-75%, thereby avoiding the significant costs of Committee hearings and arbitration conferences as well as the risk of adverse outcomes of such hearings and further litigation; and meet or exceed the 10-year average.
2. To provide agencies with accurate information and guidance in the use of the mediation process, as evidenced by customer satisfaction ratings of 4.0 or greater on a 5-point scale.
3. To increase training to support the State Grievance Process including training for State Employee Grievance Committee members, mediator-arbitrators and state agencies by 25%.
4. To maintain OHR mean processing time of appeals at 20 days or fewer.

Key Results:

1. a) Resolved 72% of the number of total appeals to the State Human Resources Director and exceeded the 10-year average.

Percent Disputes Resolved by Mediation

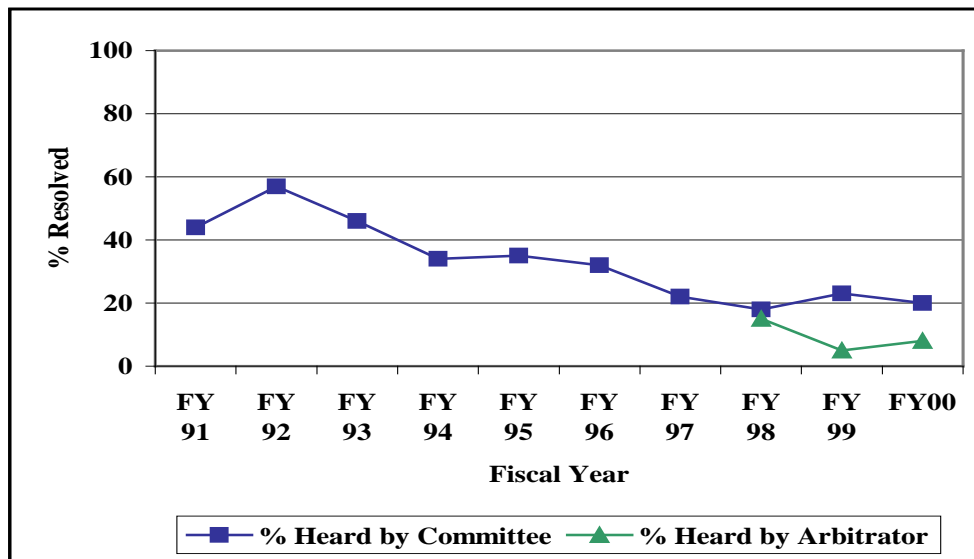


Business Results – Division of Budget and Analyses

Benchmark: Based upon historical trend data, the dispute resolution success average for the past 10 years is 68%. OHR's success rate for FY 99-00 was 72%.

- b) Reduced the percentage of appeals forwarded to the State Grievance Committee to 20% in FY 99-00.

Percent of Disputes Resolved by Committee or Arbitration

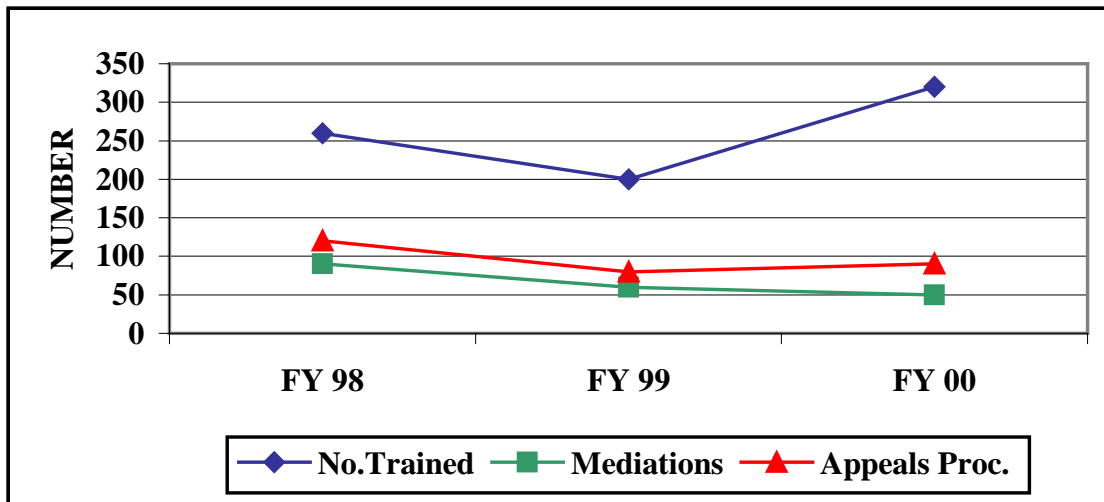


2. Customer survey results indicated significant agency satisfaction with Grievance and Mediation Services, particularly regarding the accuracy of the information provided by staff to agencies and the usefulness of the mediation process overall. In response to the statement, "I can depend on getting accurate information regarding Grievance or Appeals, the average response from agencies was 4.45 on a 5-point scale. In addition, in response to the statement, "I find the mediation efforts useful in resolving disputes in my agency," the average response from agencies was 4.11 on a 5-point scale.

Business Results – Division of Budget and Analyses

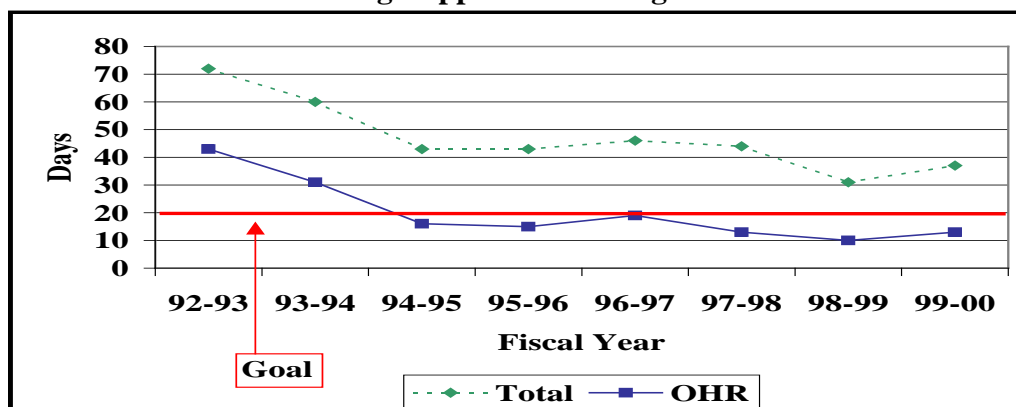
- The impact of the emphasis placed on training more agency managers and supervisors in the grievance and mediation process and training more agency mediators is having a positive effect on the number of appeals processed and the number of mandatory mediations required. OHR trained 60% more supervisors and managers in FY 99-00 than in FY 98-99.

Impact of Grievance and Mediation Training



- Reduced processing time of appeals to the State Human Resources Director by 49 percent since FY 93. Reduced OHR controlled components of the appeals process by nearly 70 percent during the same time period. The management goal of reducing processing time to one day for the application and records requested steps in the process has been attained by OHR. OHR appeals processing time was at 20 days or fewer for the sixth consecutive year in FY 99-00.

Average Appeal Processing Time



Business Results – Division of Budget and Analyses

Name: **Human Resources Development Services (HRDS)**

Cost: State: \$ 754,748
 Federal:
 Other: \$2,495,000
 Total: **\$3,249,748**

Goals: (1) To assist state government with recruiting, selecting and retaining a qualified workforce, and to assist applicants and employees with job searches and career planning. (2) To provide employee and organizational development programs and services that support effective management of state agencies' people and programs.

Objectives:

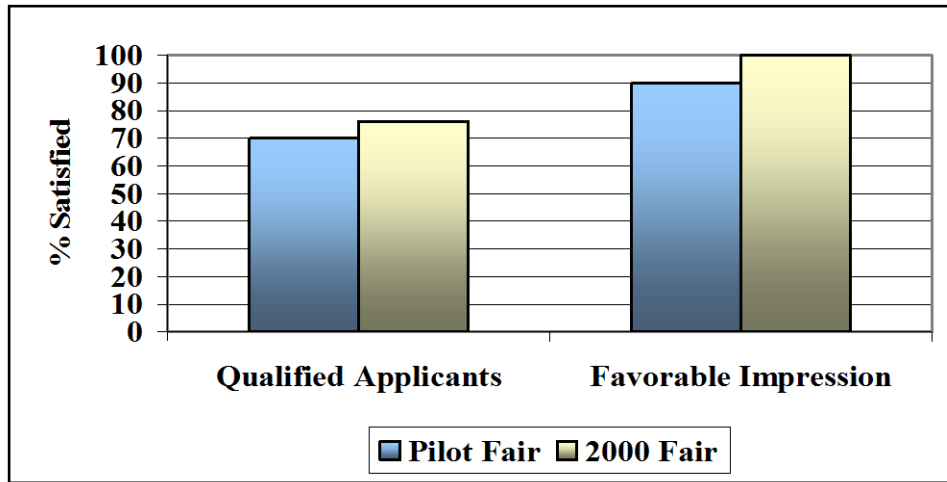
1. To assist state agencies with recruitment of qualified applicants for positions, including coordination of the South Carolina Annual State Government Career Fair as evidenced by agency satisfaction of 90% or greater and applicant satisfaction of 80% or greater.
2. To develop and manage vacancy postings for jobs in all 46 counties of the state.
3. To continue to develop and manage TempO, a temporary employment service, by increasing employees on the TempO payroll to 50 by 1/1/00.
4. To provide employee development services, including:
 - Developing and delivering the Certified and Associate Public Manager programs as evidenced by an increase of 10% in APM graduates and maintaining the CPM graduation rate; and
 - Providing both open-enrollment (1000 or greater trained) and in-house (700 or more trained) programs to state employees.
5. To provide organizational development services to agencies, including assessment services using the criteria of the Malcolm Baldrige National Quality Award, as evidenced by developing three components of the Baldrige training curriculum.

Key Results:

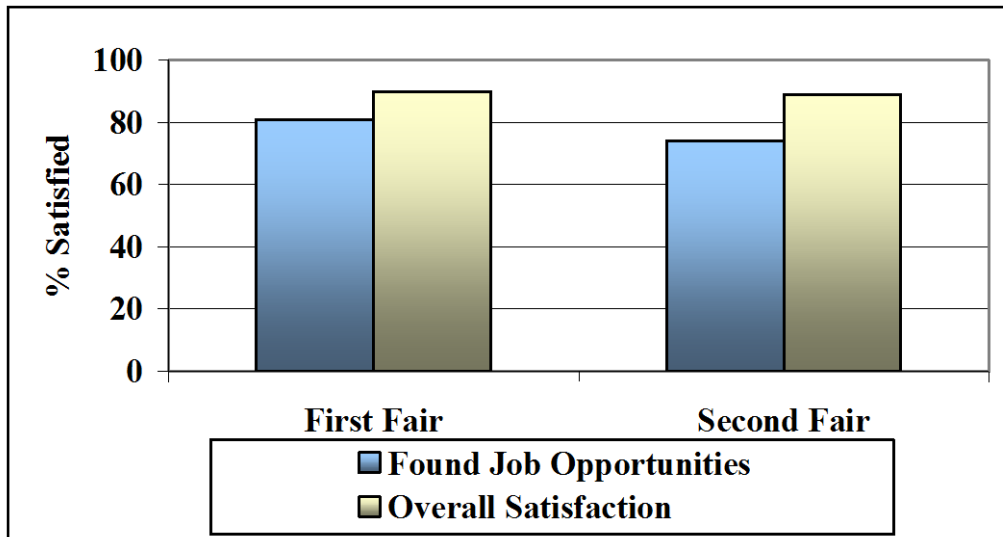
1. Two Career Fairs were held in FY 1999-2000. A pilot was held in September 1999 and the First Annual State Government Career Fair was held in April 2000. State agencies affirmed that the Fairs successfully increased their pool of qualified applicants, and as evidenced by their 90-100% overall satisfaction with the Fairs, met their expectations. Additionally, 90 percent of attendees expressed satisfaction and 74 percent indicated they found job opportunities.
2. Vacancies for 100% of the 46 counties were posted. Job applicants are making increasing use of the Internet job posting system. Over one million "hits" were recorded monthly on the State's job pages in FY 99-00. Data also shows increased use of the Internet during the past year to access state employment applications, perhaps the best indicator that a user intends to apply for a job vacancy.

Business Results – Division of Budget and Analyses

Agency Satisfaction with Career Fairs



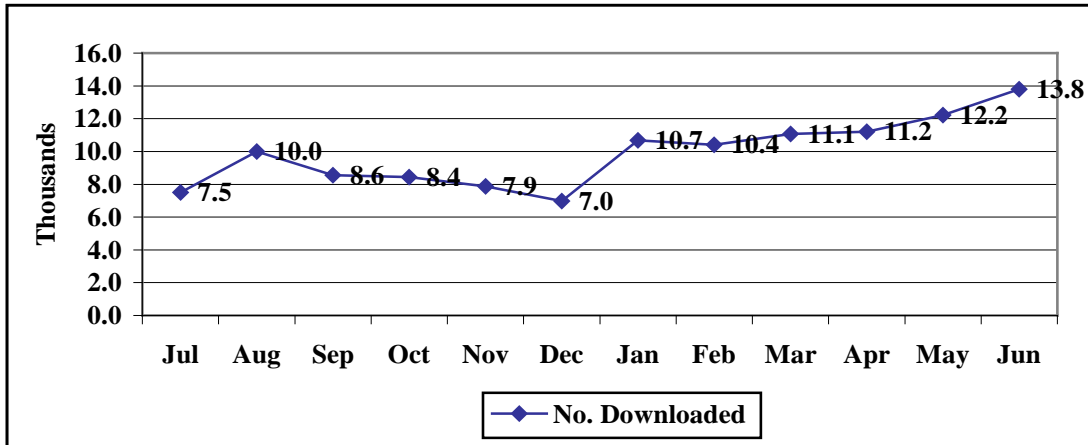
Satisfaction of Career Fair Attendees



In addition, in response to the statement, “The HRIS vacancy posting system has increased my agency’s pool of qualified applicants,” the average response from agencies was 4.19 on a 5-point scale.

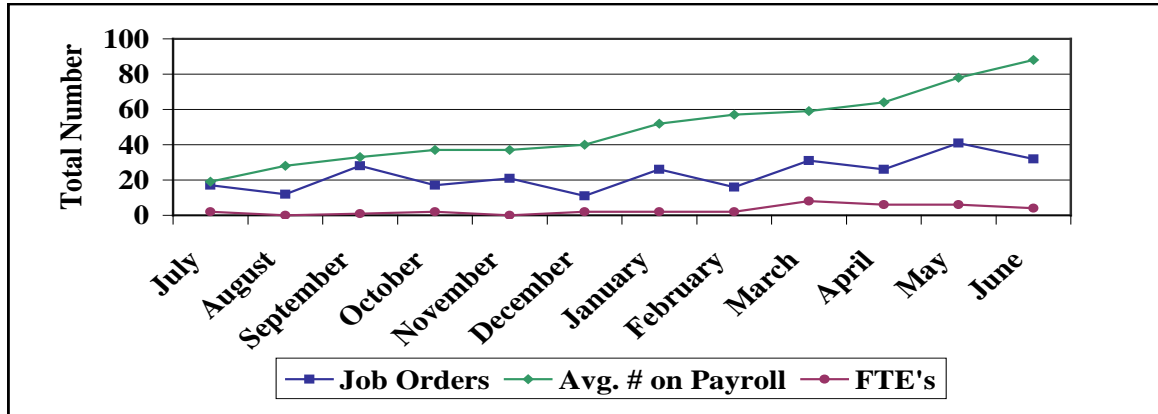
Business Results – Division of Budget and Analyses

State Government Applications Downloaded



- The number of monthly job orders placed by agencies for TempO employees nearly doubled from July 1999 to June 2000. The average number of TempO employees per month has nearly quadrupled during the same period. In addition, the cumulative number of TempO employees who have acquired permanent positions in agencies (FTEs) has grown to 35 at the end of FY99-00.

TempO Performance Measures

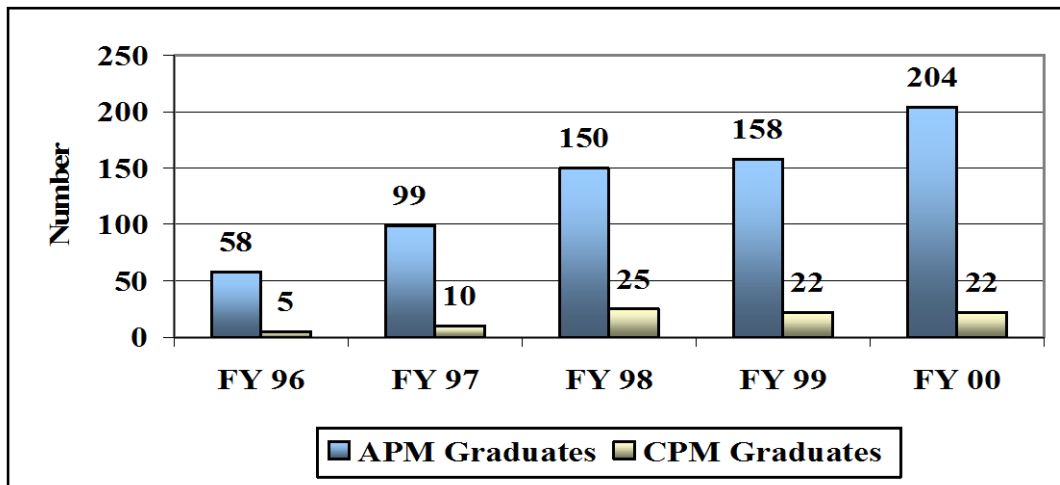


Result: The management goal of 50 TempO employees on the payroll by 1/00 was surpassed. A goal of 150 has been set for 7/01.

Business Results – Division of Budget and Analyses

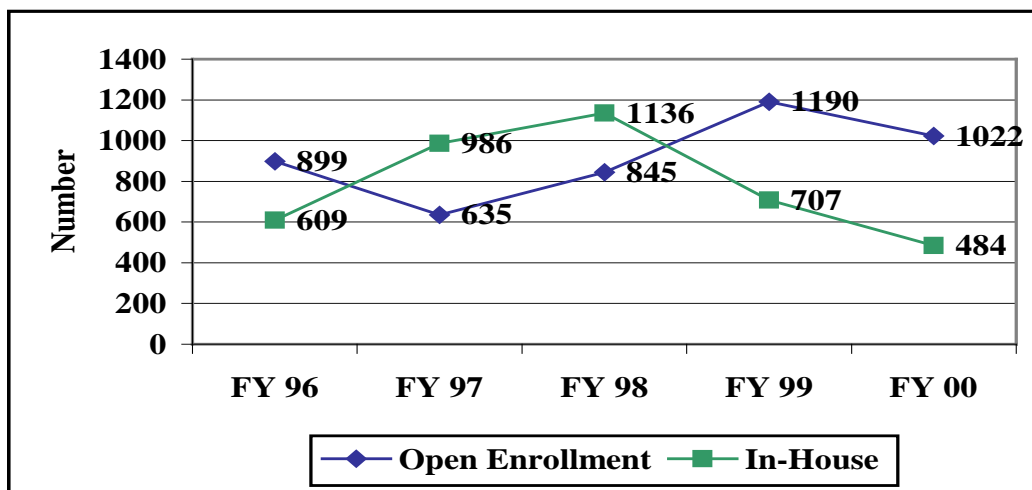
4. a) Enrollment continues to rise in both the Associate and Certified Public Manager programs. APM enrollees at the end of FY 2000 totaled 527. CPM enrollment was at 73. The APM graduation rate went up 29% in FY 2000. Graduates from the CPM program have been steady for the past three years.

Graduates from Certification Programs



- b) Attendance at HRDS open-enrollment training remained relatively steady in FY 2000 at over 1000, while attendance in in-house programs continued to decline. Most of the decline can be attributed to a reorganization that took place during the year and a reduction in the number of training staff available to deliver in-house programs. The long-term decline for in-house training delivery can be attributed to the discontinuation of “Quality Proviso” funding for agency training after FY 97-98.

Attendance at Training Programs



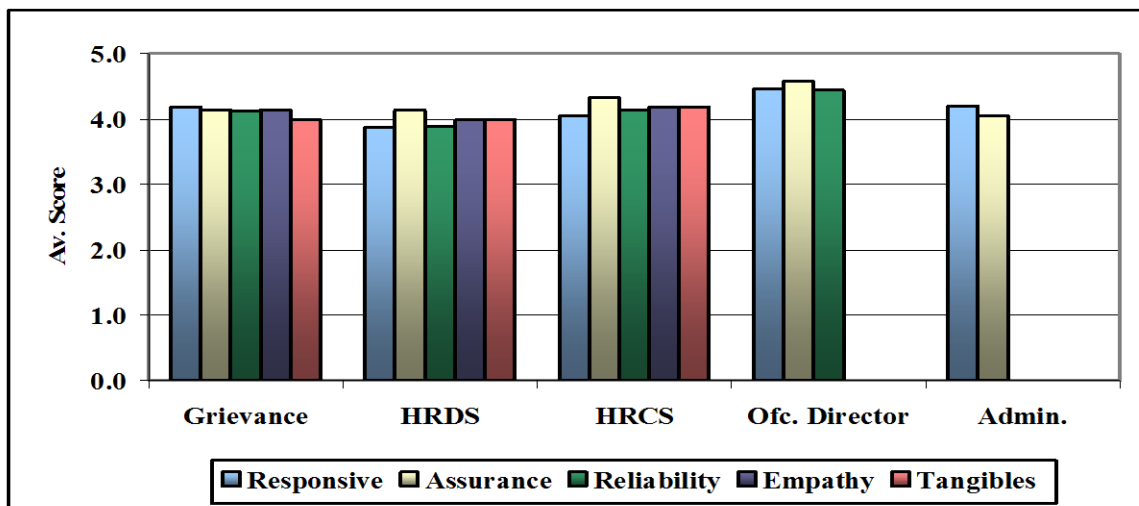
Business Results – Division of Budget and Analyses

5. Provided organization development services to agencies, including assessment services using the Malcolm Baldrige National Quality Award criteria.
 - Developed and analyzed an employment satisfaction survey of over 4,000 respondents for the Department of Corrections.
 - Performed a recruitment and retention study for the Office of Research and Statistics regarding the retention of statisticians.
 - Assisted the Department of Labor, Licensing and Regulation with the development of a strategic planning process and analyzed the complaint management system of the Residential Builders Commission. Made recommendations to improve efficiency.
 - Conducted a deployment analysis of the strategic plan of the State Human Affairs Commission as a follow-up to a Baldrige self-assessment conducted in FY 98-99.
 - Conducted two retention surveys for the Office of the Adjutant General regarding both state employees and first-term enlisted guardsmen. Identified obstacles and potential solutions. The HRDS consultant was presented with an outstanding service award from the Adjutant General for the project.
 - Develop three components of the curriculum for the Malcolm Baldrige initiative: Overview, Leadership, and Measurement.

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The immediate Office Director's team required scores only for the first three dimensions and the administrative support staff required scores only on the first two dimensions.

Customer Satisfaction



Business Results – Division of Budget and Analyses

Office of Research and Statistics

Mission: The mission of the Office of Research and Statistics is to gather, analyze and publish data vital to the social, health and economic well-being of South Carolina. The Budget and Control Board, the General Assembly, other state agencies, local governments, regional planning agencies, private sector organizations and numerous interested citizens use these data to guide planning, management and development decisions.

The categories of data and information resources administered by the Office include: (1) economic; (2) economic research; (3) demographic; (4) health and human services; (5) geodetic; (6) geographic; (7) precinct demographic; (8) digital cartographic; and (9) information policy and management.

Name: **Digital Cartography**

Cost:	State:	\$254,699
	Federal:	
	Other:	\$
	Total	\$254,699

Goals: To provide reliable, efficient and cutting edge Geographical Information Services (GIS) to state, local and other institutions. These include the creation of accurate county maps, mapping support for the statewide emergency 911 program, the digital mapping of state election districts, and the delivery of demographic profiles of election districts and voting precincts on an as-requested basis.

Objectives:

1. To achieve 90 percent map accuracy in all 46 counties.
2. To complete countywide street addressing for the emergency 911 program in all 46 counties by the year 2001.
3. To provide 100 percent digital mapping of all state election districts.
4. To maintain a 100 percent response rate for requests for demographic profiles of election districts and voting precincts.

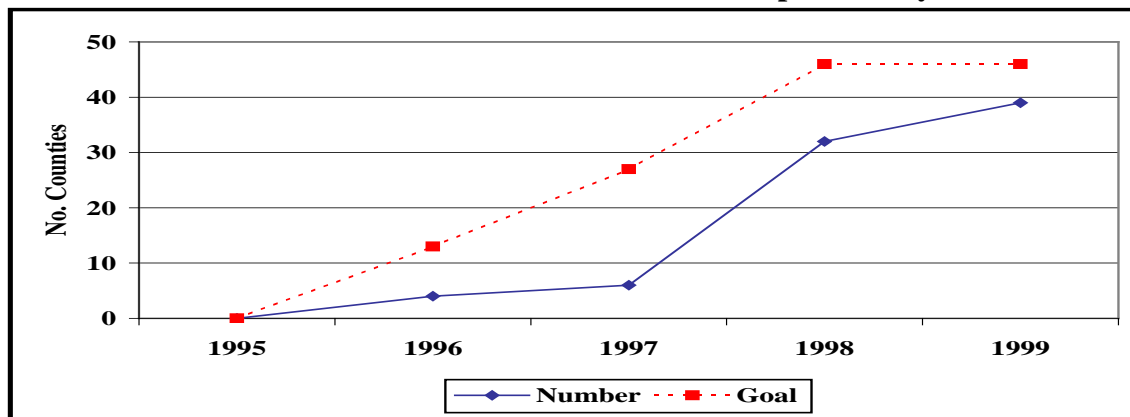
Key Results:

1. Map accuracy of 90 percent has been attained in 39 of 46 counties. The remaining 7 counties are anticipated to be complete by the end of calendar year 2001.

Business Results – Division of Budget and Analyses

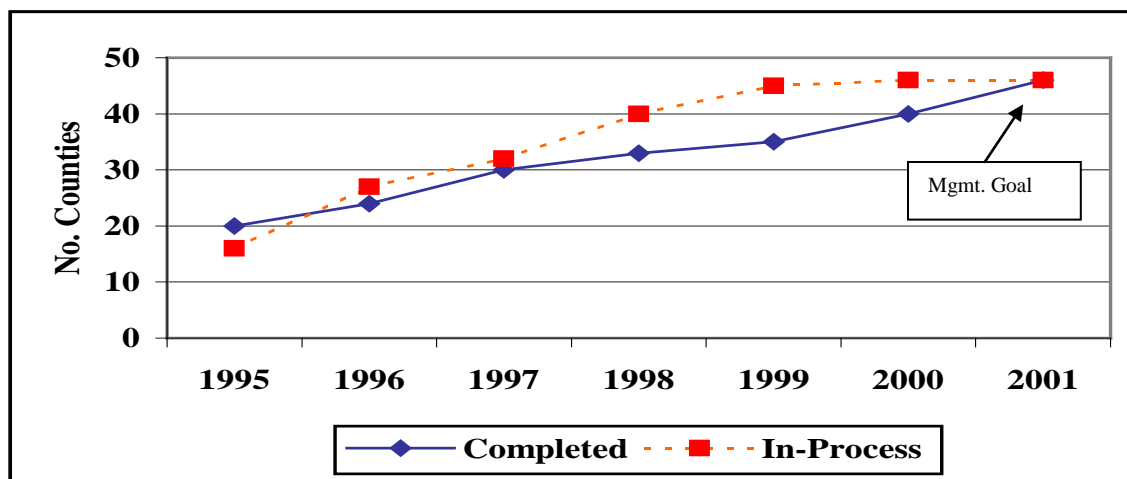
2. Forty-five of 46 counties have emergency 911 address mapping in place or in process. In thirty-five of these, the program has been completed.

Number of Counties With 90 Percent Map Accuracy



Calendar year 2000 data is not yet available.

Number of Counties Having Emergency 911 Address Mapping In Place or In-Process



3. All state election districts have been 100 percent mapped except school districts which are 95 percent mapped and county districts which have been 98 percent mapped. These will be finished in 2000.
4. Demographic profiles are provided for all state election districts upon request. Registered voter profiles are now available in map format on the Internet in partnership with the Office of Information Resources and the State Election Commission.

Business Results – Division of Budget and Analyses

Name: South Carolina Geodetic Survey

Cost:

State:	\$1,105,594
Federal:	485,000
Other:	\$ 143,313
Total	\$1,733,907

Goals: To provide the highest quality spatial coordinate system, including technical support and training, for the state, local government and private sectors. This coordinate system along with the associated digital map files will enable the creation of geographic information necessary for accurate, timely and fair decisions concerning land use and management of natural resources.

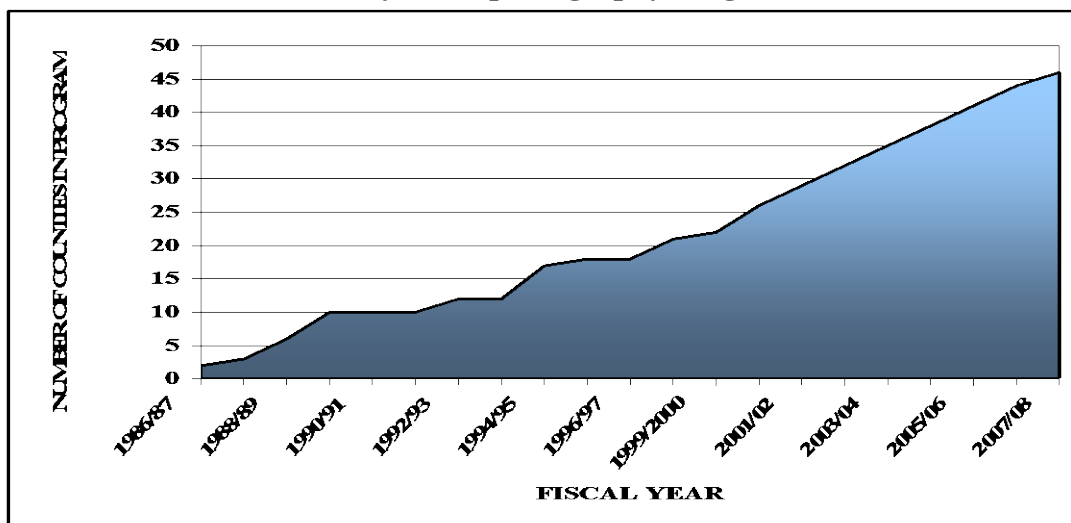
Objectives:

1. To establish new or replace destroyed survey monuments at a rate of 28 per month, using the monthly production quota of the National Geodetic Survey as a benchmark.
2. To establish collaborative projects with all 46 counties to produce a seamless statewide geographic information system by the year 2008. This is being accomplished through the use of high-resolution overhead photography.

Key Results:

1. In the first month of measurement, 43 survey monuments were replaced or established, exceeding the national benchmark by 96 percent. This is a new measure. A new management goal will be established after several months of data have been collected.
2. Begun in FY 1987, collaborative projects have been established with 23 counties, in conformance with the project timeline.

County Orthophotography Program



Business Results – Division of Budget and Analyses

Name: **Information Technology Management**

Cost: State: \$488,030
 Federal:
 Other: \$ _____
 Total **\$488,030**

Goals: To assist state agencies and institutions in the planning for and acquisition of information technology suitable to their needs at the lowest practical cost.

Objectives:

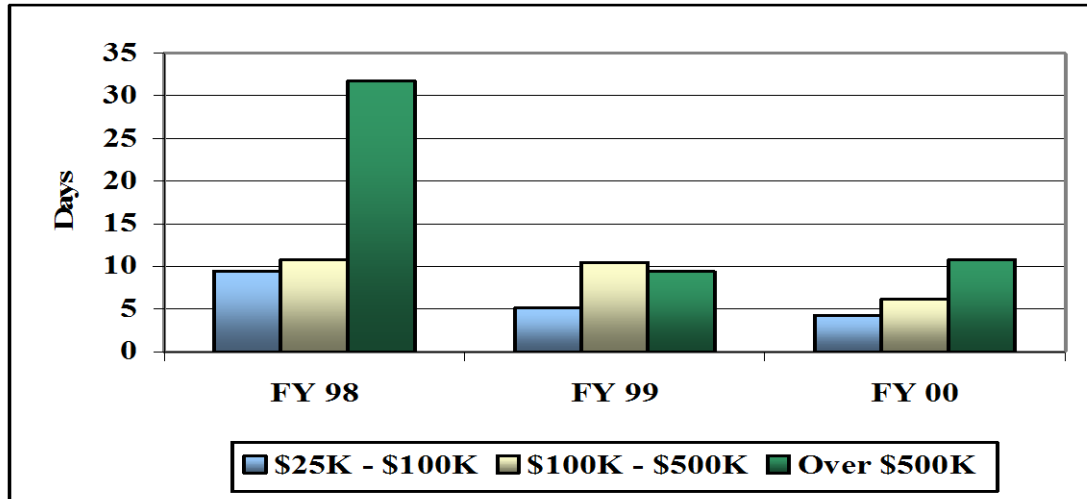
1. To provide a revised annual information technology planning document for the current fiscal year and to obtain 100 percent participation from solicited agencies and institutions.
2. To provide agencies with a Web-based planning system that will reduce entry time for the annual information technology plan by 20 percent and evaluation times by 10 percent.
3. To respond to agency information technology requests outside the annual planning process within an average of 5 days for small requests, 8 days for medium requests and 12 days for large requests.
4. To provide information technology management and technical assistance to agencies and institutions upon request.

Key Results:

1. This is a new measure. The revised planning document proved successful, but 16 out of 107 solicited agencies failed to submit a plan resulting in an 85 percent participation rate for FY 2000.
2. This is a new measure. The Web-based planning system reduced plan data entry time by 20 percent and reduced plan evaluation time by 30 percent.
3. Reduced the time to process information technology requests outside the annual planning process to an average of 4.3 days for small requests (below \$100,000), 6.2 days for medium requests (\$100,000 to \$500,000) and 10.8 days for large requests (above \$500,000). Since the goals in all areas are being met, they will be reviewed for FY 2001.
4. This is a new measure. Provided management and technical assistance to 8 agencies and institutions in FY 2000. The effectiveness of this assistance is measured by customer satisfaction with the assistance provided.

Business Results – Division of Budget and Analyses

**Average Number of Days Required to Process
Independent I.T. Requests**



Business Results – Division of Budget and Analyses

Name: **Health and Demographic Statistics**

Cost: State: \$ 811,439
 Federal:
 Other: \$1,821,793
 Total **\$2,633,232**

Goals: To meet the health, social and demographic information needs of the General Assembly, the Governor's office, government agencies, private sector organizations and businesses, and the public by using statistical and Geographic Information System (GIS) tools; and to assist information system users to identify policy issues and enhance the responsiveness of information systems to pressing issues.

Objectives:

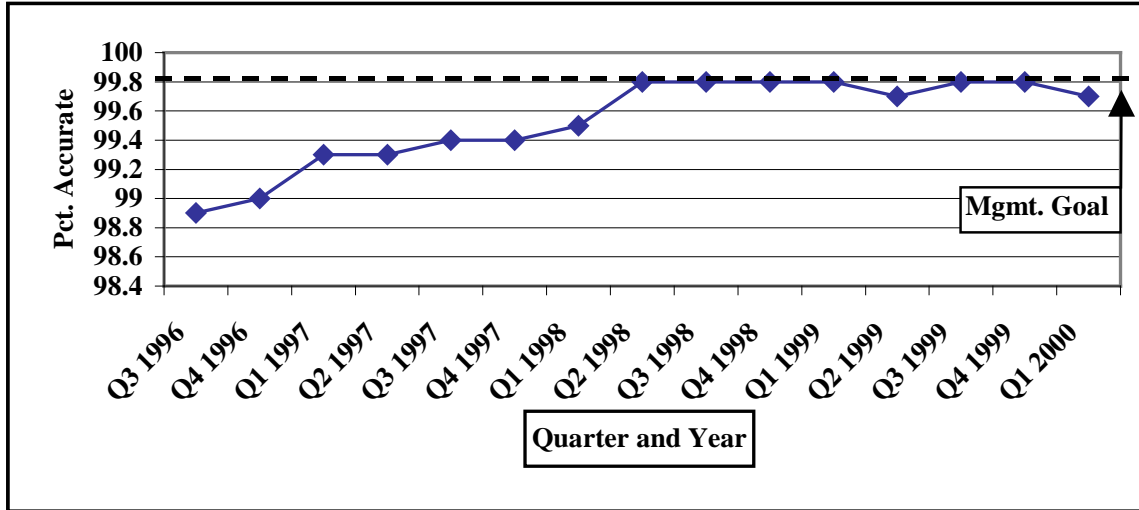
1. To exceed the state regulatory requirement of 99.5 percent *accuracy* of all data relating to South Carolina hospital inpatient claims. This program provides information to a wide range of both public and private sector agencies and organizations for analysis, planning and evaluation.
2. To exceed the state regulatory requirement of 99.0 percent *completeness* of all data relating to South Carolina hospital inpatient claims. This also provides information to a wide range of both public and private sector agencies and organizations for analysis, planning and evaluation.
3. To provide customized analyses and reports such as Kids Count and the First Steps County Needs Assessment on an as-requested basis. Historical data indicate a management goal of 8 percent growth per year.
4. To educate data users on the availability and appropriate use of information by continually meeting with users and by conducting 90 presentations and workshops this year, based on historical data.
5. To increase the number of successfully negotiated grants and contracts by 10 percent per year.
6. To increase the number of collaborative partnerships with other government agencies, universities and nonprofit organizations by 10 per cent per year.

Business Results – Division of Budget and Analyses

Key Results:

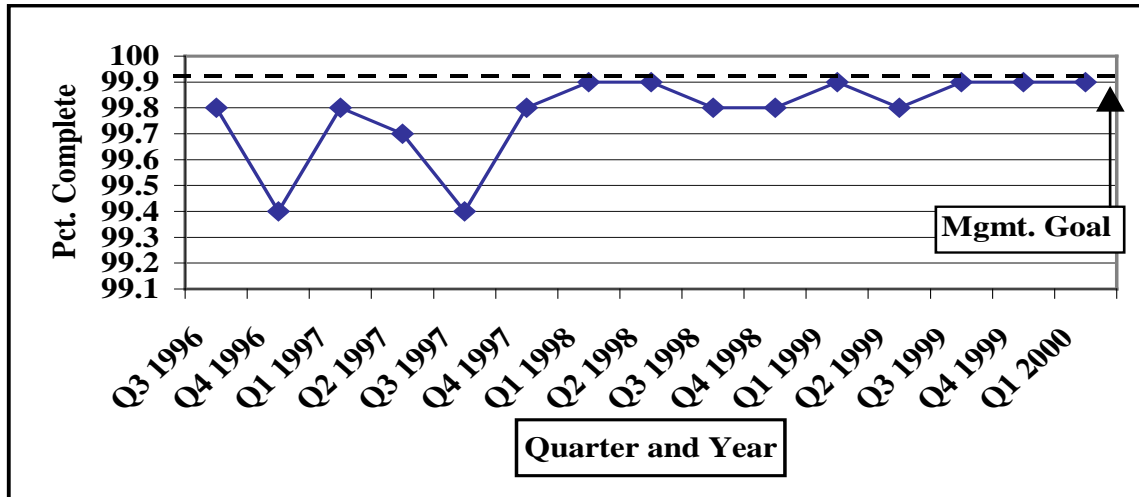
1. Exceeded the state standard of 99.5 percent for accuracy in hospital inpatient claims data.

Accuracy of Hospital Inpatient Claims Data



2. Exceeded the **state** standard of 99 percent for completeness of hospital inpatient claims data.

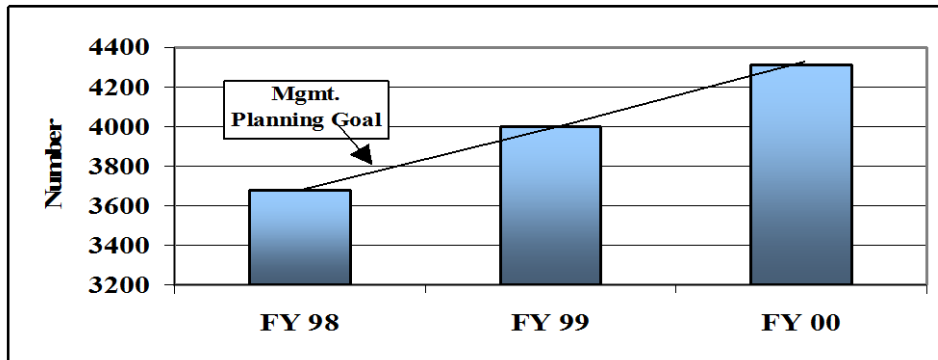
Completeness of Hospital Inpatient Claims Data



Business Results – Division of Budget and Analyses

3. Provided 4,310 customized, user-defined analyses and reports, an increase of approximately 8 percent over the previous year. While we have no control over increases or decreases in this program, we can predict the year's activity based on recent history and plan accordingly.

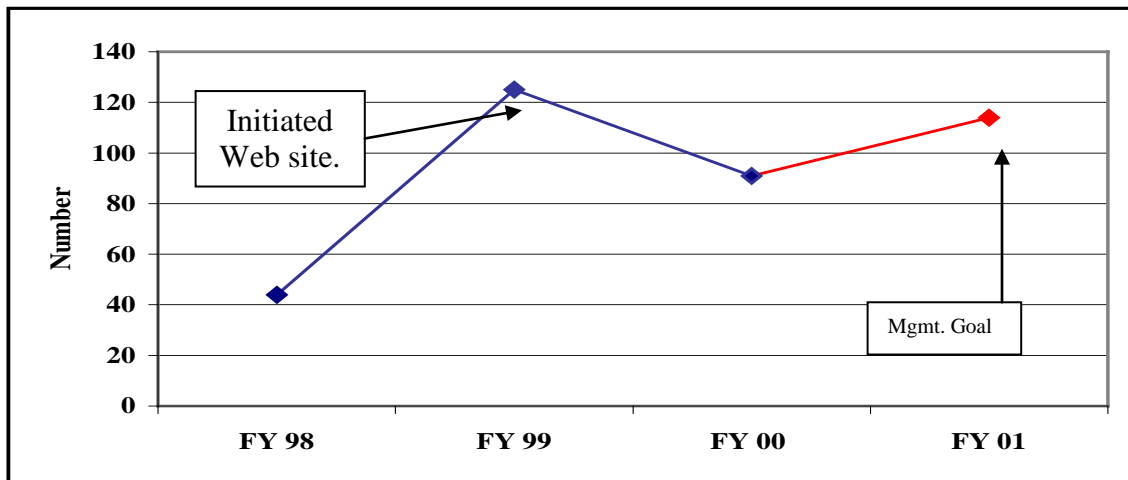
Reports and Customized Analyses



(Excludes S.C. Statistical Abstract)

4. Accomplished the anticipated number of 90 presentations and workshops. The projection for FY 2001 is 114, based on recent historical data. Additionally, staff met with users informally 582 times, on par with previous years' data.

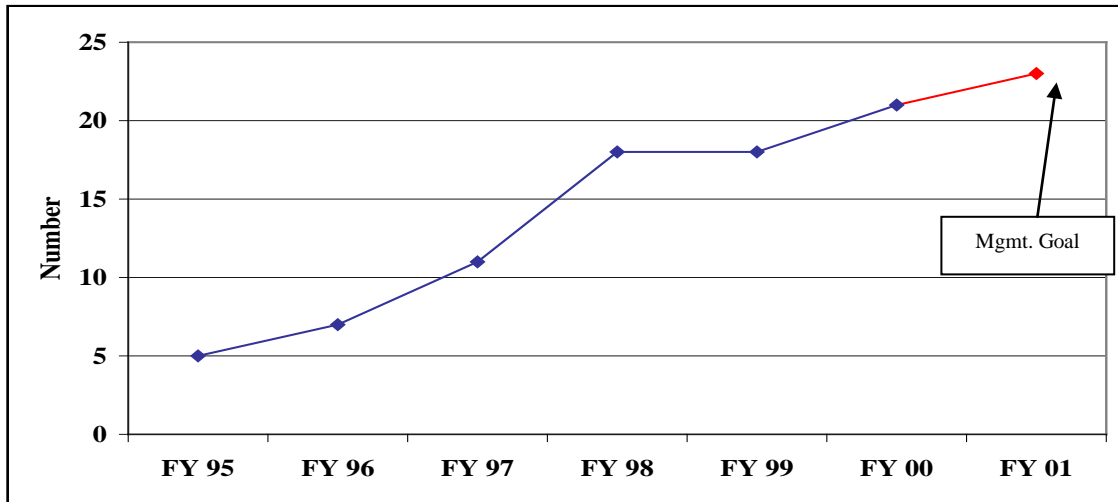
Number of Presentations and Workshops (Current and Projected)



Business Results – Division of Budget and Analyses

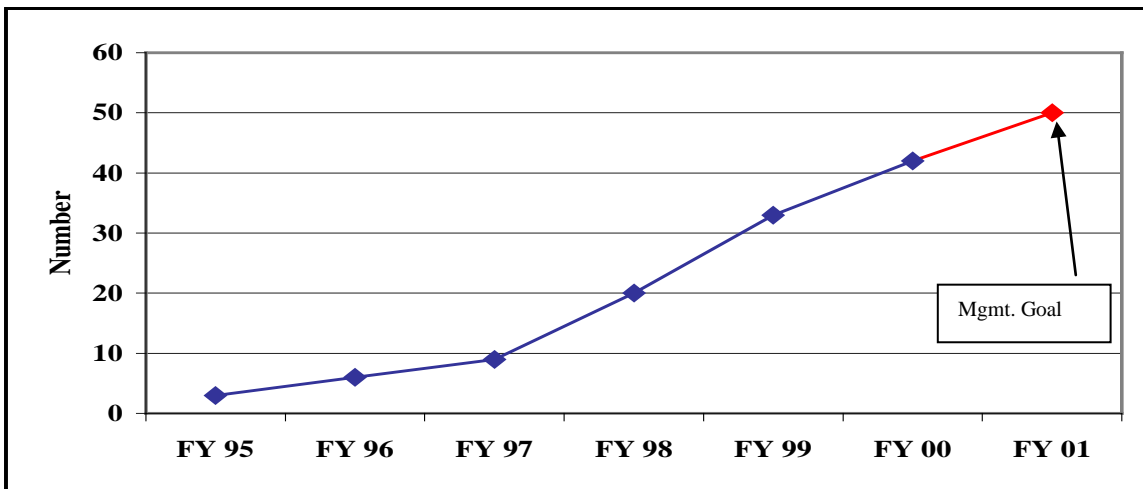
5. Negotiated 21 grants and contracts to carry out special studies and research projects for public and private agencies, an increase of 17 percent over the previous year. This is a major source of revenue.

Number of Grants and Contracts Negotiated



6. Negotiated 42 collaborative partnerships with other government agencies, universities and nonprofit organizations, an increase of 27 percent over the previous year.

Number of Collaborative Partnerships Formed



Business Results – Division of Budget and Analyses

Name: Office of Economic Research

Cost: State: \$252,832
Federal:
Other: \$
Total \$252,832

Goals: To provide clear, concise and appropriate responses to research requests and conduct projects within appropriate timeframes for the Governor, General Assembly, state agencies, local governments and the private sector. These include:

- To administer various appropriations formulas;
- To conduct research and to establish data bases to permit analyses by the Office of Economic Research and Board of Economic Advisors staffs; and
- To perform research on demand (“spot research”).

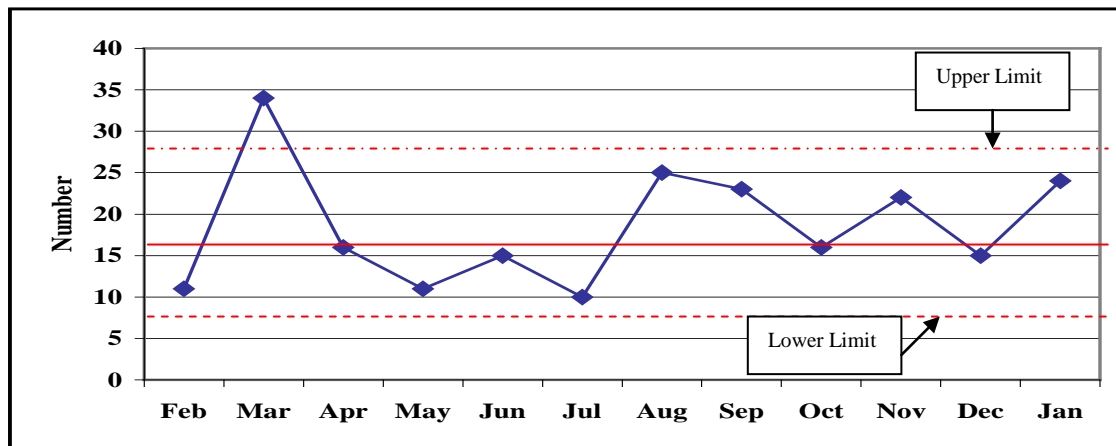
Objectives:

1. To research, calculate and prepare all impact statements, inflation estimates, formula funding requirements and wage estimates required by South Carolina statutes.
2. To provide responses to individual research requests (“spot research”).

Key Results:

1. Complied with all statutory requirements.
2. This is a new measure. Based on one year’s data, the anticipated number of requests for “spot research” will be 17 per month, plus or minus 10 requests. While the number of requests received each year cannot be controlled, this projected figure can be used to plan resource allocations.

**Demand for “Spot Research”
Feb 99 – Jan 00**



Business Results – Division of Budget and Analyses

Name: Board of Economic Advisors

Cost: State: \$262,218
Federal:
Other: \$
Total \$262,218

Goals: To provide the Governor and the General Assembly the measures needed in the budgetary process in a timely fashion; to provide advice when requested on contemplated policy initiatives with possible budgetary impacts.

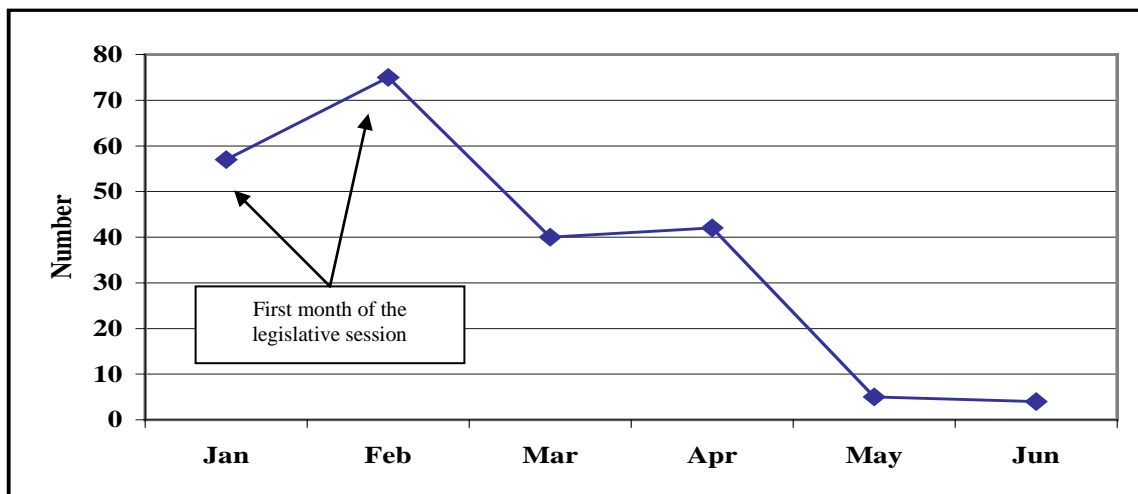
Objectives:

1. To make forecasts of economic conditions, make State revenue estimates, prepare quarterly revenue projections, monitor current revenue flow, and certify budget amendments as required by South Carolina statutes.
2. To prepare revenue impact statements upon request of the Governor and members of the General Assembly.

Key Results:

1. Complied with all statutory requirements.
2. Responded to all requests for revenue impact statements. Additional data must be collected in FY 00 and FY 01 to develop accurate “seasonal trends.” The first two months of the legislative session have historically been the busiest.

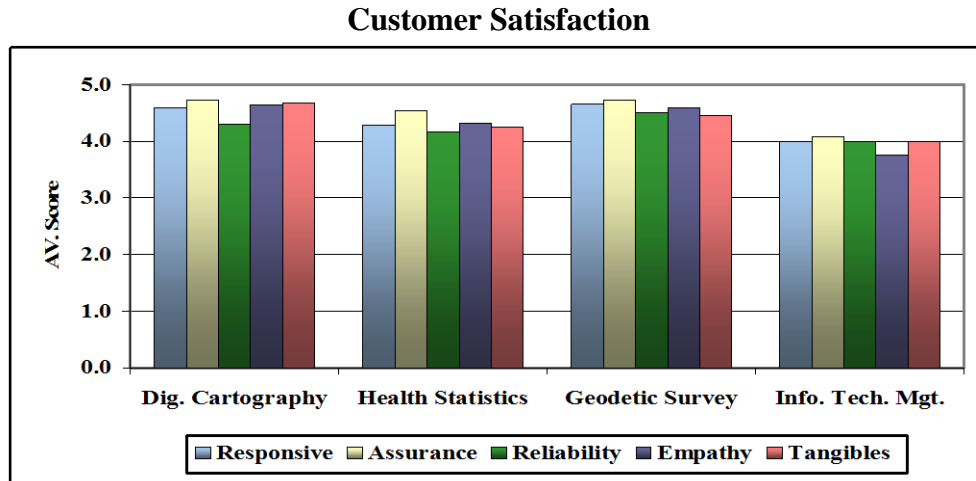
**Revenue Impact Statements
Calendar Year 1999**



Business Results – Division of Budget and Analyses

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The customer satisfaction scores for the sections of the Office of Research and Statistics are:



Business Results – Division of Budget and Analyses

S.C. Confederate Relic Room And Museum

Mission: The South Carolina Confederate Relic Room and Museum serves as an educational, historical and cultural resource for the citizens of South Carolina. The emphasis is on the state's Confederate era, but also held in trust are artifacts, papers, art and memorabilia of lasting historical and traditional value for the education, enrichment and inspiration of all who are interested in the state's military heritage from the colonial era to the present.

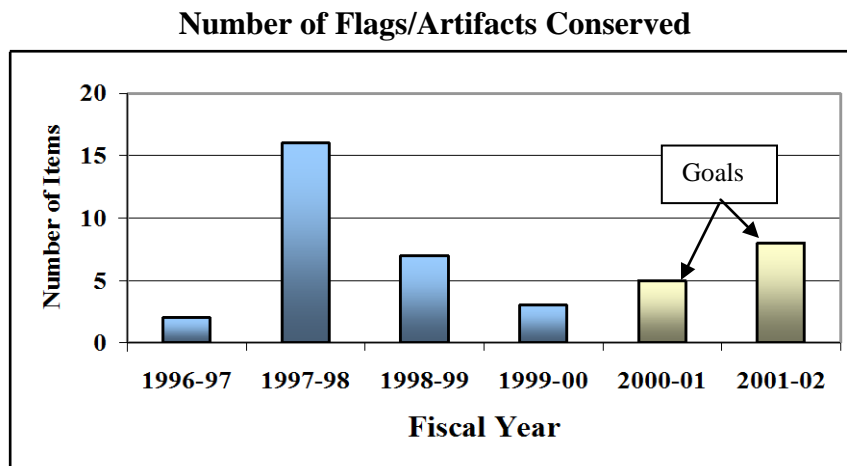
Name: Conservation Programs

Cost: State: \$25,000 (Carry forward)
Federal:
Other: 2,500 (Donations)
Total: \$27,500

Goals: To preserve the material culture of South Carolina for the education of future generations of South Carolinians through conservation of one of the nation's most significant Civil War collections and preservation of the second oldest museum collection in South Carolina.

Objective: To conserve the maximum number of flags and artifacts possible within funding constraints and to increase this number by 10 percent each year, commencing with this year's move to the S.C. State Museum.

Key Results: Conserved three major flags and artifacts¹.



¹ Decrease from previous year due to funding limitations.

Business Results – Division of Budget and Analyses

Name: Education Program

Cost: State: \$4,000
Federal:
Other: _____
Total: \$4,000

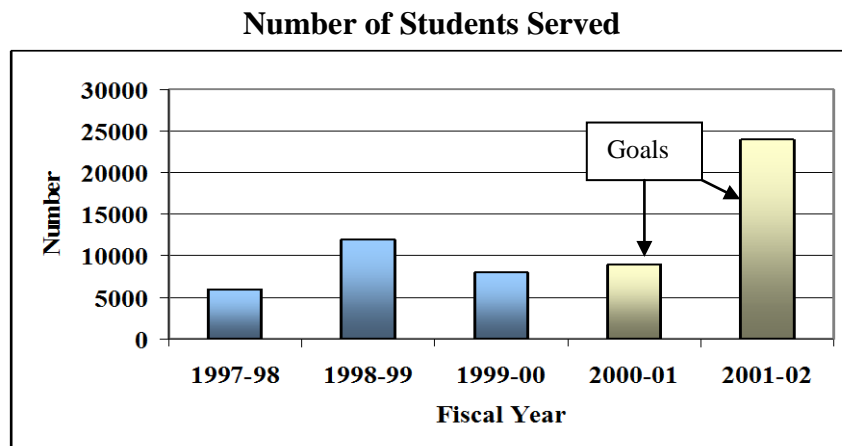
Goals: To augment education in S.C. schools with museum tours and outreach education and to ensure education and public programs are compatible with S.C. history and social studies curricula of primary and secondary schools.

Objectives:

1. To develop new teacher guides and teacher lesson plans.
2. To initiate joint tour booking with the S.C. State Museum after relocating to the State Museum's building.
3. To establish a baseline of students served from which to measure educational outreach success.
4. To increase the number of visitors by 10 percent per year.

Key Results:

1. Established a FTE position for a curriculum specialist to develop lesson plans and teacher guides.
2. Initiated contract bids to accomplish the relocation to the Museum.
3. Established a baseline of 8,000 students served for current fiscal year².
4. Established a baseline of 7,281 visitors for the fiscal year.



² Decrease from previous year due to funding limitations.

Business Results – Division of South Carolina Retirement Systems

Division of South Carolina Retirement Systems

Mission: The mission of the South Carolina Retirement Systems is to administer a comprehensive program of retirement benefits responsive to the needs of public employees and to perform fiduciary duties as stewards of the contributions and disbursements of the pension trust funds. In furtherance of our mission, we adopt and embrace the mission, vision and core values of the South Carolina State Budget and Control Board.

Name: **Benefits Payroll**

Cost:

State:	\$
Federal:	
Other:	\$ 964,833
Total	\$ 964,833

Goals: To disburse lump-sum distributions of contributions, monthly annuity benefits and survivor payments to Retirement Systems' members, retirees and their beneficiaries and to accurately report such for accounting and income tax purposes.

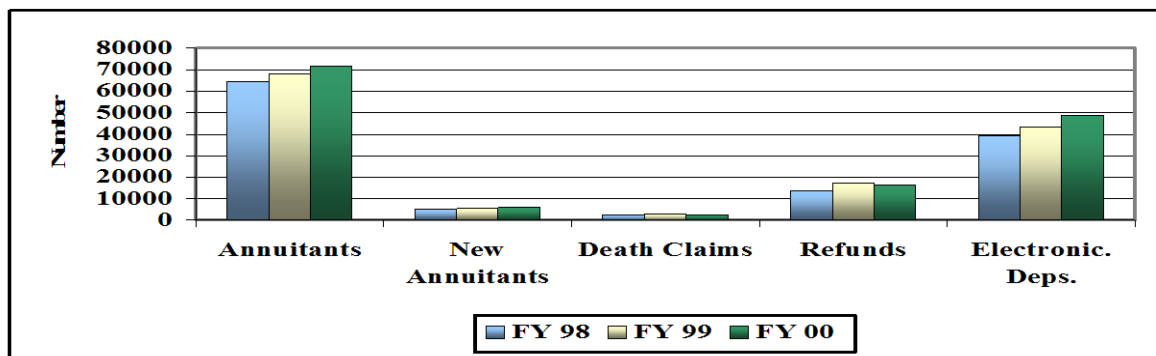
Objectives:

1. To pay all benefits as defined by state statute in compliance with all state and federal tax laws.
2. To pay 100 percent of new annuitants their first monthly benefit within 30 days of retirement and to process all claims within control limits.
3. To verify 100 percent of death claims within 30 days of request.

Key Results:

1. In FY 2000, 100 percent of all benefits paid to 71,325 existing annuitants were compliant with all state and federal tax laws.

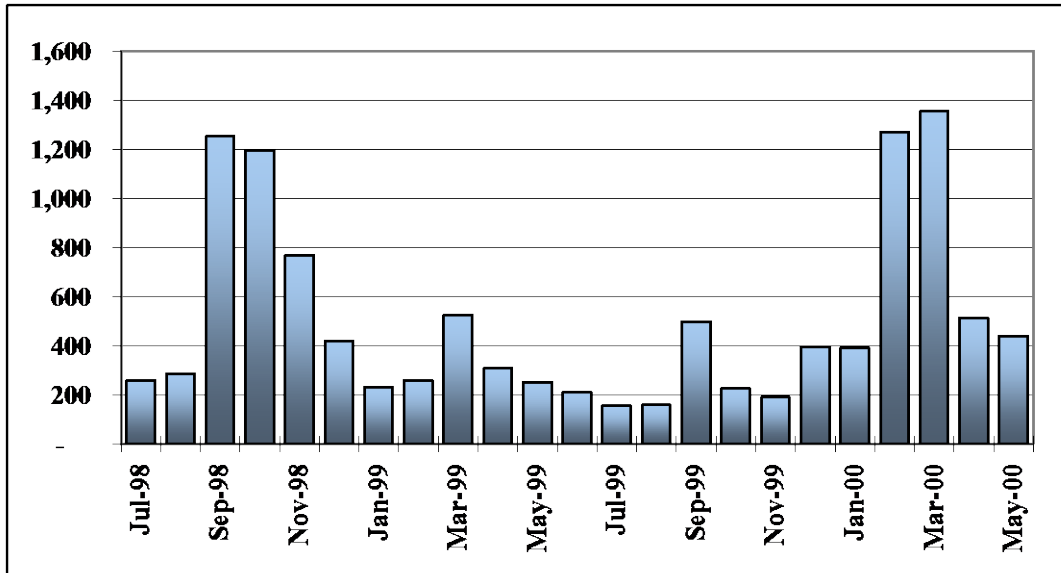
Benefits Payroll



Business Results – Division of South Carolina Retirement Systems

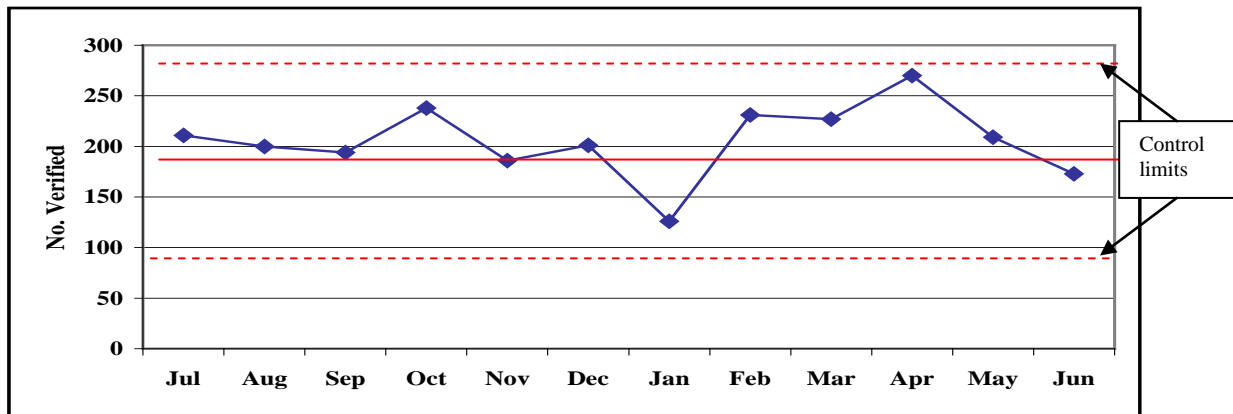
2. In FY 2000, 99.9 percent of the 5,910 new annuitants received their first monthly benefit within 30 days of their retirement.

Newly Finalized Annuity Claims Verified



3. In FY 2000, 99.9 percent of 2,466 death claims were verified within 30 days of notification and all claims were processed within control limits.

Death Claims Verified



Business Results – Division of South Carolina Retirement Systems

Name: Financial Services

Cost: State: \$
Federal:
Other: \$ 2,528,248
Total \$ 2,528,248

Goals: To establish and maintain member service records for determining disability and retirement eligibility, benefit levels, and survivor beneficiaries; to develop and maintain a pension accounting system for recording and assessing the financial activity and condition of the retirement trust funds; to develop and provide training and service delivery programs that provide information regarding retirement benefits, applicable laws, policies, procedures and regulations to member employees and employers.

Objectives:

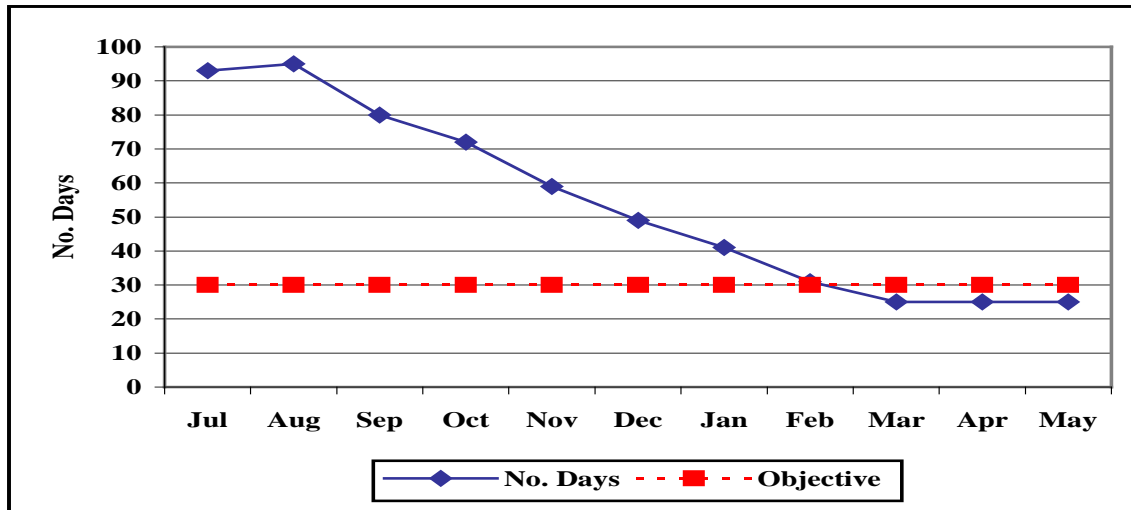
1. Within 20 days, process 95 percent of all information establishing and updating member records and process 100 percent within 45 days.
2. To maintain a pension accounting system that is recognized as being accurate and reliable.
3. To reduce the number of days required to finalize average final compensation (AFC) to 30 days.
4. To conduct at least 200 employee benefit overview presentations to reach at least 7,500 employees yearly.
5. To conduct at least 100 pre-retirement seminars to reach at least 7,500 employees yearly.
6. To conduct at least 20 employer training sessions designed to help benefits and payroll administrators better understand the benefit offerings and the regulations that they must follow.
7. To increase the number of employers who use the Electronic Employer Services (EES) program each year so that at least 50 percent of all employers are using the EES program by FY 2004.

Key Results:

1. This is a new measure. In FY 2000, an average of 90 percent of all information establishing and updating member records was processed within 20 days and 100 percent was processed within 45 days.
2. The Retirement System was recognized for the quality of its financial reporting by the Government Finance Officers Association with *the Certificate of Achievement for Excellence in Financial Reporting* for the 13th consecutive year.
3. The average number of days required to finalize average final compensation (AFC) fell almost 70 percent to 25 days in FY 2000.

Business Results – Division of South Carolina Retirement Systems

Average Number of Days to Finalize AFCs



4. This is a new measure. Conducted 223 employee benefit overview presentations that reached 9,099 employees. The objective will be adjusted and measured monthly in FY 2001.
5. This is a new measure. Conducted 147 pre-retirement seminars that addressed 8,316 employees. The objective will be adjusted and measured monthly in FY 2001.
6. This is a new measure. Conducted 28 employer-training sessions.
7. This is a new measure. Sixty-three employers (8.3 percent of all employers) contracted with the Retirement Systems to use the Electronic Employer Services (EES) program.

An evaluation questionnaire is being developed to measure the degree of satisfaction with the information and training provided to participants in these training programs this year.

Business Results – Division of South Carolina Retirement Systems

Name: Customer Services

Cost: State: \$
Federal:
Other: \$ 3,026,683
Total **\$ 3,026,683**

Goals: To process disability annuity claims of the Retirement Systems' membership efficiently, to provide consultation services to Retirement Systems' customers on all aspects of their benefits, to process death claims efficiently, to provide personal counseling to walk-in customers, to process all refund claims efficiently.

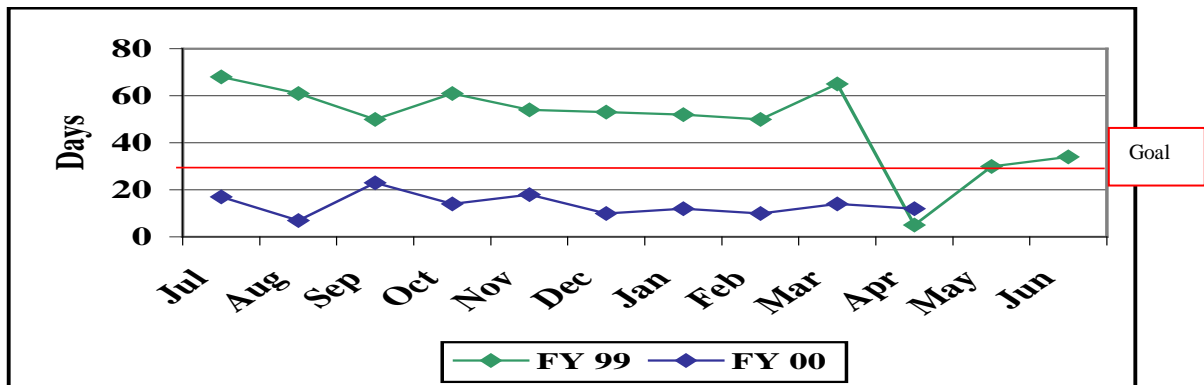
Objectives:

1. To finalize all disability annuity files within 30 days of the date of the member's first estimated retirement check.
2. To finalize all service annuity files within 30 days of the date of the member's first estimated retirement check.
3. To answer all telephone calls within 3 minutes (180 seconds) during peak times.
4. To complete calls requiring research within 24 hours.
5. To see all visitors within 15 minutes of their arrival at Retirement Systems.
6. To pay all workable refund claims either within 90 days of the date of termination or within 30 days of the date of receipt of the application, whichever is later.

Key Results:

1. Reduced cycle time for disability annuity claims processing to 14 days. The 30-day goal will be reevaluated.

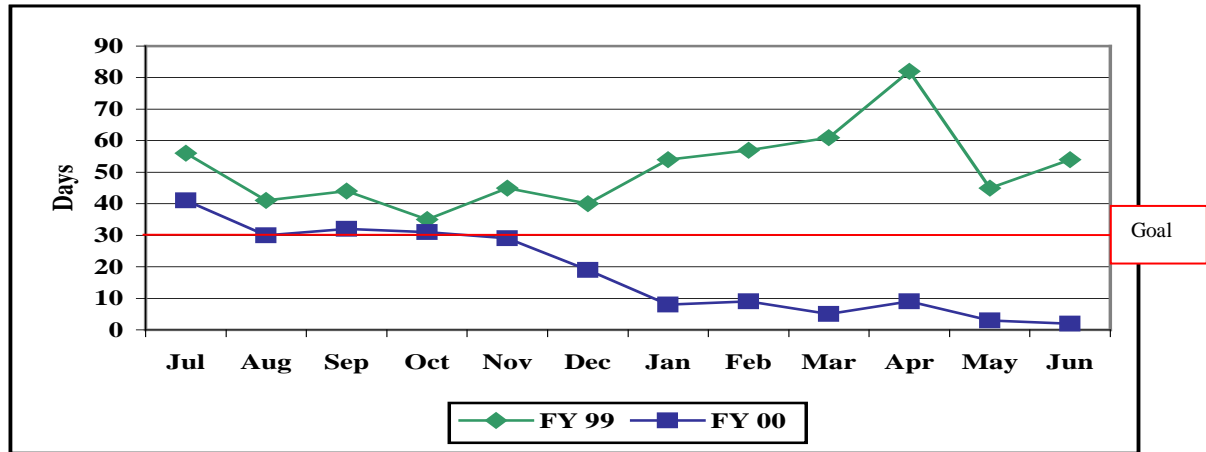
**Disability Annuity Claims Processing Time From
Date of First Check to Date Finalized**



2. Reduced cycle time for service annuity claims processing to 17 days. The 30-day goal will be reevaluated.

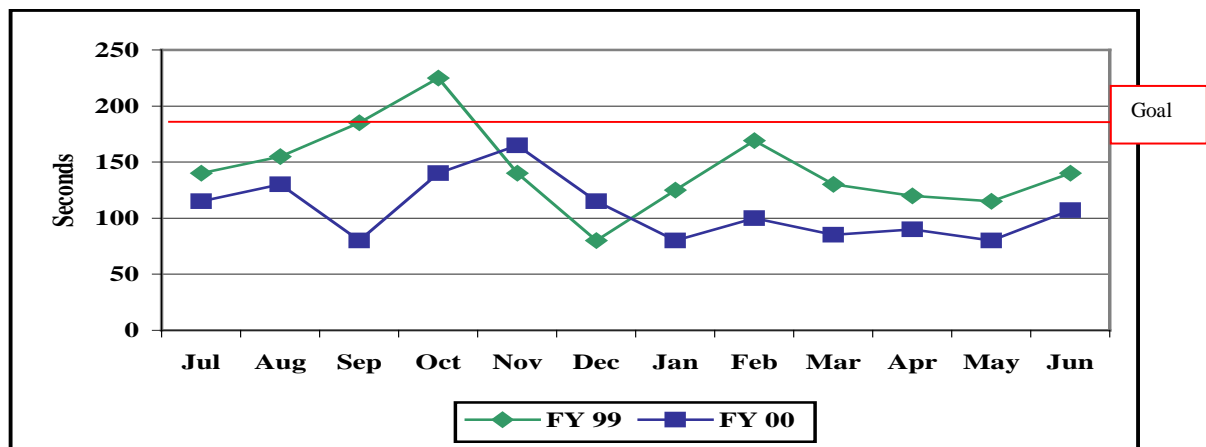
Business Results – Division of South Carolina Retirement Systems

**Service Annuity Claims Processing Time From
Date of First Check to Date Finalized**



3. Reduced the average time for telephone calls to be answered during peak times to 1.78 minutes (107 seconds).

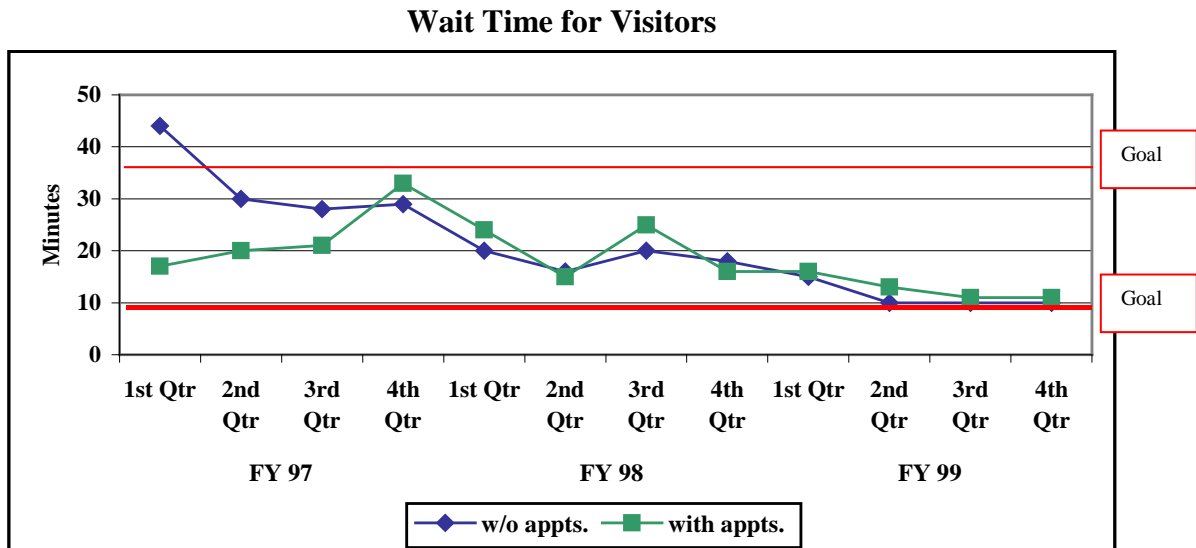
Wait Time to Answer Telephone Calls



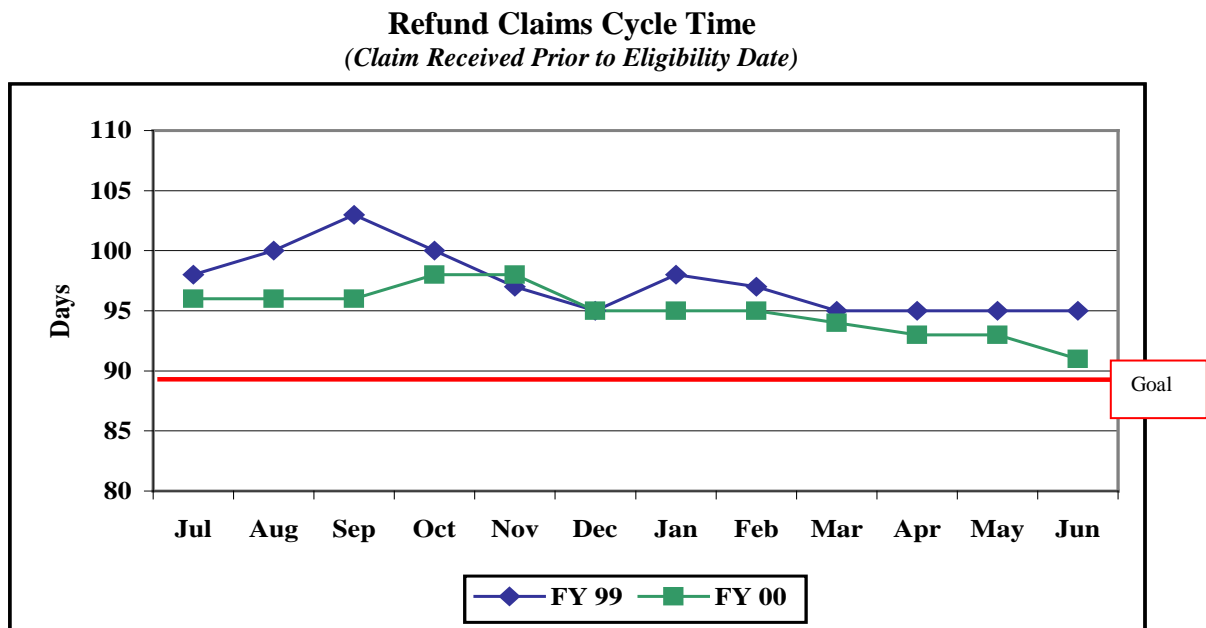
4. This is a new measure. Ninety-two percent of calls requiring research were completed within the stated goal of 24 hours.

Business Results – Division of South Carolina Retirement Systems

5. Wait time for visitors was reduced to 11.4 minutes for individuals without an appointment and reduced to 10.5 minutes for individuals with an appointment.



6. Cycle time for payment of refund claims has been reduced to 91 days. The statutory requirement is 90-days.



Business Results – Division of South Carolina Retirement Systems

Name: **Service**

Cost: State: \$
 Federal:
 Other: \$ 905,599
 Total **\$ 905,599**

Goals: To provide timely response to member requests for the calculation of the cost to purchase service credit for retirement eligibility and to counsel members regarding their service purchase options; to convert member records and other Retirement Systems files to a rapidly accessible electronic format; to inform all Retirement Systems *inactive* members of the present status of their retirement accounts.

Objectives:

1. To process at least 50 percent of new requests for service purchase within 30 days of request date.
2. To image 90 percent of all paper documents and microfilm/microfiche documents within 24 hours of receipt.
3. To contact by mail at least 1,000 qualified inactive members per month concerning the present status of their accounts and resolve at least 25 percent of them.

Key Results:

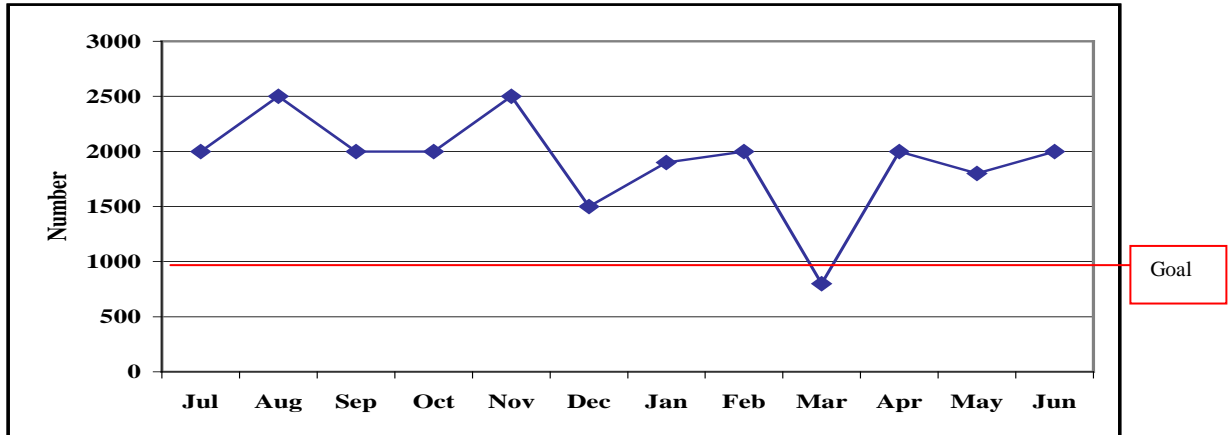
1. This is a new measure. Sixty-one percent of the 10,834 service purchase requests received in FY 2000 were processed within 30 days of request date.
2. This is a new measure. Of the 1,401,782 paper documents received in FY 2000, 99.9 percent were imaged within 24 hours of receipt. Similarly, 99.9 percent of all microfilm/microfiche records were imaged within 24 hours of receipt.

The average imaging time was 21 seconds per microfiche and 27 seconds per paper document. Performance is driven by daily throughput of a high volume of paper documents relating to member records as well as an ongoing project requiring the conversion of microfiche records of all members with 25 years of service or more. This project is expected to reach completion in FY 2002, two years ahead of the original schedule.

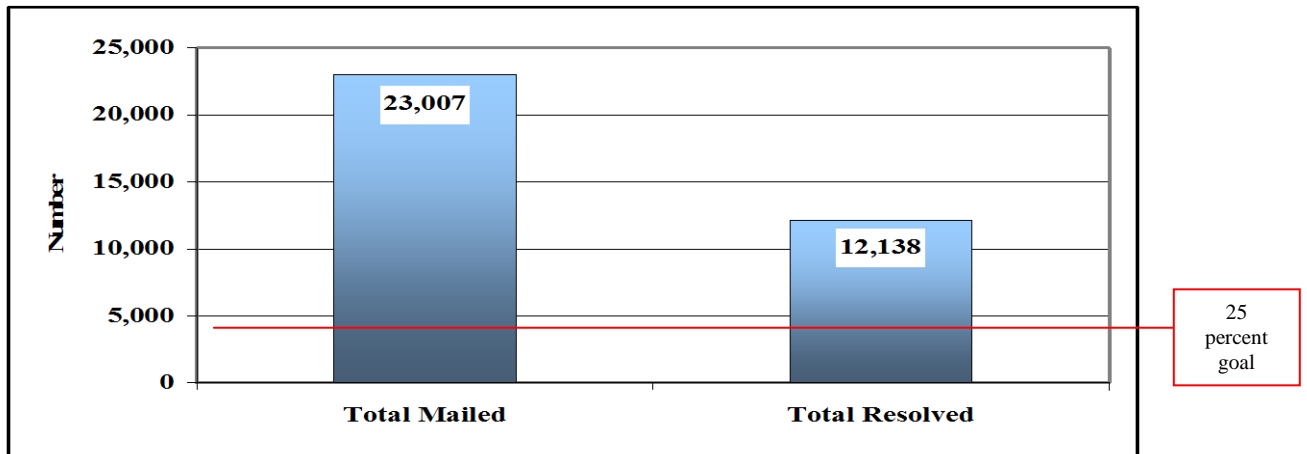
Business Results – Division of South Carolina Retirement Systems

3. Contacted 23,007 inactive members by mail and resolved the status of 12,138 inactive member accounts (53 percent).

Number of Inactive Member Packets Mailed in FY 2000



Percentage of Inactive Member Accounts Resolved in FY 2000



Business Results – Division of South Carolina Retirement Systems

Name: **Information Services**

Cost: State: \$
 Federal:
 Other \$ 3,561,552
 Total **\$ 3,561,552**

Goals: To provide professional technical support, secure databases and efficient computer applications to staff and customers for rapid, reliable access to member and employer information.

Objectives:

1. To design and maintain a client server system fully integrated with a document imaging system with no more than 1 workday (9 hours) of downtime annually.
2. To expand distribution of information to employers via the Internet.
3. To respond to 100 percent of help desk calls within 1 hour.
4. To upgrade automated processes for faster throughput of data.

Key Results:

1. Experienced zero percent downtime in FY 2000.
2. This is a new measure. Percent expansion will be reported next year.
3. This is a new measure. In the last 4 months of the year, responded to 99.9 percent of help desk calls within one hour.
4. This is a new measure. Upgraded 14 processes during the year. Measures of effectiveness will be available next year.

Business Results – Division of South Carolina Retirement Systems

Name: **Administration**

Cost: State: \$
 Federal:
 Other: \$ 2,597,206
 Total **\$ 2,597,206**

Goals: To manage the organization's resources and services, and to provide responsible leadership and guidance to staff and customers.

Objectives:

1. To ensure that all 179 full-time employees are trained to meet the demands of customers.
2. To administratively support the State Retirement Systems Investment Panel.
3. To ensure that all proposed legislation to amend retirement statutes is clear, beneficial, and preserves the fiscal integrity of the System.
4. To publish comprehensive and informative brochures, newsletters and other educational materials for the membership.
5. To provide legal services to support the organization.
6. To provide auditing services to support the organization.

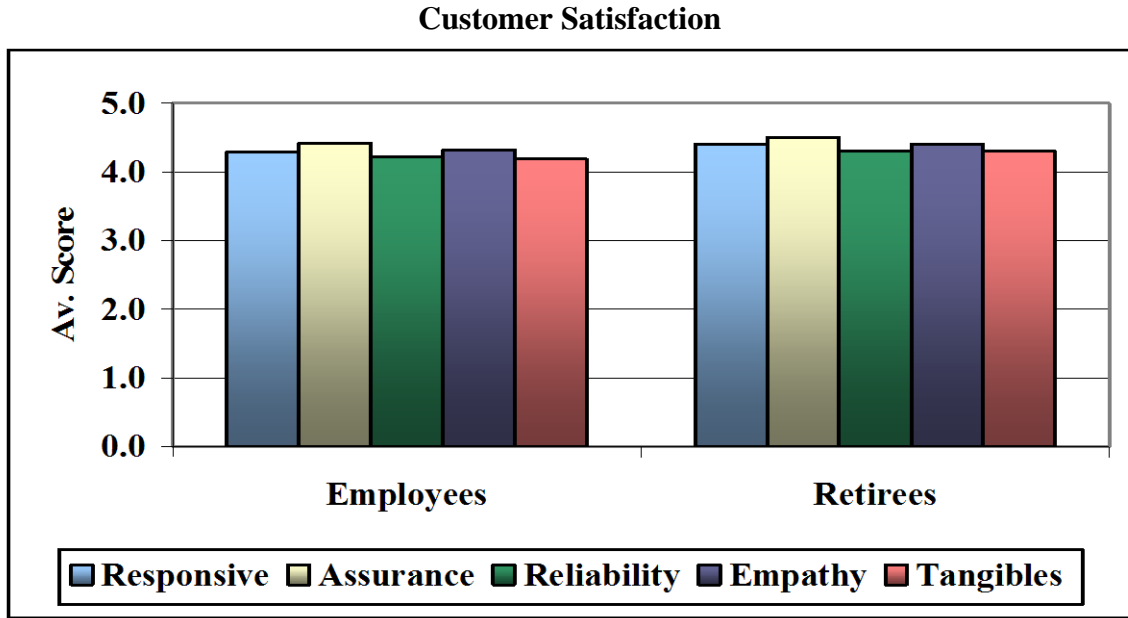
Key Results:

1. One hundred percent of full-time employees are provided training necessary to competently perform their jobs and are given the opportunity to have a personal and professional development plan.
2. Support staff assisted the State Retirement Systems Investment Panel in providing fiduciary education, in the selection of and contract negotiations with private sector investment managers, and in the development of an investment plan adopted by the Budget and Control Board. The Retirement Systems' equity portfolio had a market value of \$2.9 billion as of June 30, 2000.
3. Drafted 42 pieces of legislation
4. Published 15 informational and educational pamphlets, brochures and newsletters for the membership. Effectiveness measures are currently being developed.
5. The legal department handled 66 disability cases this year. Sixteen cases were carried over from the previous year. Fifty appeals were filed of which 30 have been concluded. Reduced the backlog of 93 Qualified Domestic Relations Orders (QDROs) to 27 and resolved 27 of the 50 newly submitted QDROs. These are family court orders calling for payment of retirement benefits to an alternate payee as a result of divorce. Measures of effectiveness are being developed and will be reported next year.
6. The Audit Department provides the systems and management team with audits, reviews, and advice concerning internal control design structures, tax compliance issues and special projects. Measures of effectiveness are being developed and will be reported next year.

Business Results – Division of South Carolina Retirement Systems

Customer Satisfaction

Customer satisfaction scores run from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The customer satisfaction scores of the two customer groups served by the Retirement Systems organization are:



Business Results – Division of Regional Development

Office of Local Government

Mission: To provide financial and technical assistance to local governments and other public entities to aid in providing water, sewer and related infrastructure facilities necessary for economic development, environmental protection and public health in South Carolina. This supports the Board's mission of providing technical expertise and assistance to other governmental entities.

Name: **Infrastructure Financing and Technical Assistance**

Cost:

State:	\$ 603,611
Federal:	
Other:	\$ 370,989
Total:	\$ 974,600

Goals: To provide individualized technical assistance for public water and sewer utilities, to award grants that foster job creation while facilitating compliance with environmental regulations, and to make financially sound loans in each of three loan funds:

- Clean Water – State Revolving Fund (CW-SRF)
- Drinking Water – State Revolving Fund (DW-SRF)
- State Infrastructure Revolving Fund (SIRF)

Objectives:

1. To increase the outstanding balance of the loan portfolio by 10 percent per year.
2. To provide technical assistance addressing water and sewer infrastructure to at least 50 government entities per year, saving at least \$15M per year in local infrastructure costs.
3. To fund at least 50 projects per year that result in leveraging at least 3 dollars from other sources for every dollar spent by the grant program.
4. To create/retain 500 jobs per year (provided adequate funding is available).

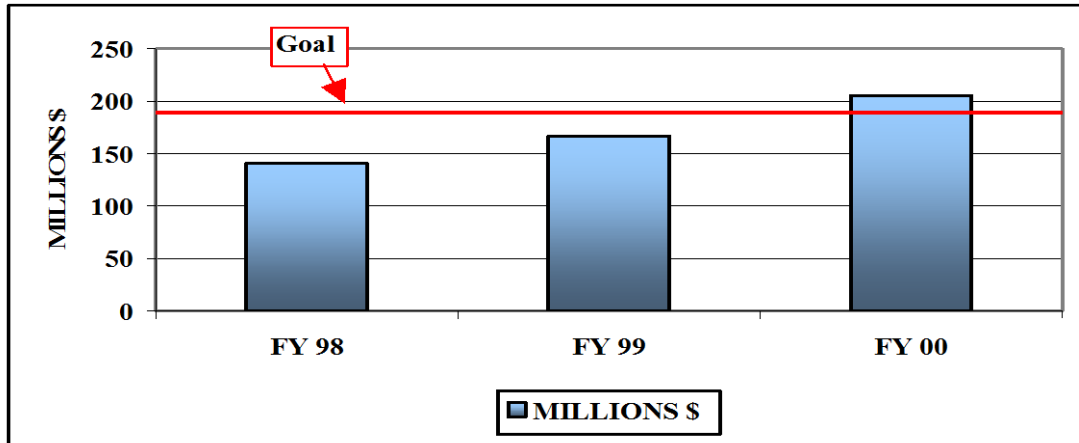
Key Results:

- 1.A. Disbursed \$45.5M this fiscal year, a 40 percent increase over the previous year; and closed 19 new loans for \$66.8M, a 27 percent increase over the previous year, with no late payments or defaults incurred. Identified by the Federal Office of Inspector General as the Best Practices benchmark for other states to emulate.

Business Results – Division of Regional Development

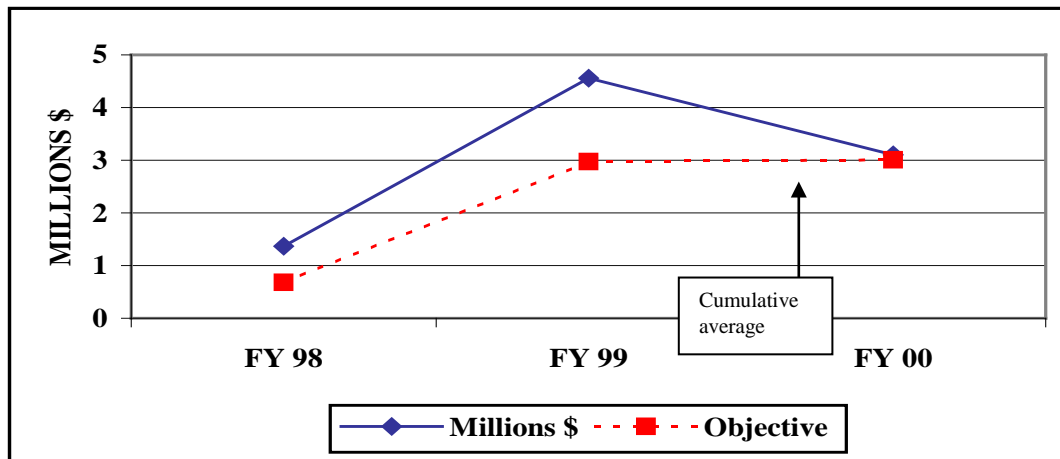
- 1.B. Increased the outstanding principal balance of the loan portfolio by 23 percent this fiscal year to \$205.4M.

Outstanding Principal Balance



2. Provided technical assistance to 101 communities/industries effecting a savings of \$3.1M in infrastructure costs.

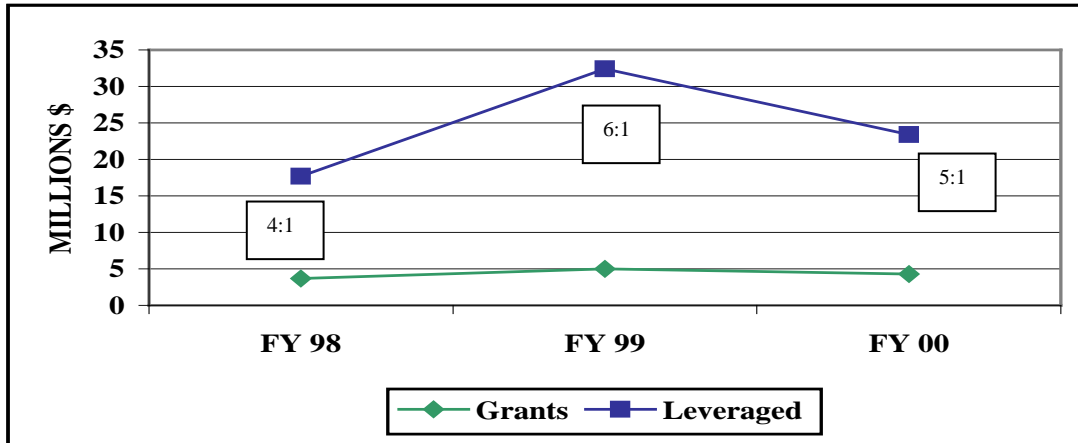
Technical Assistance Savings



Business Results – Division of Regional Development

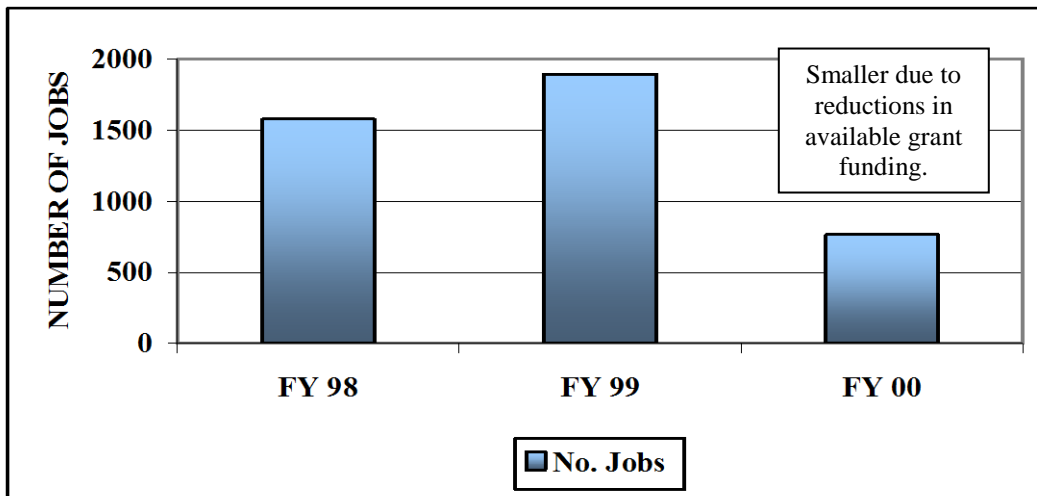
- Funded 70 projects this fiscal year, resulting in a leverage factor of 5.0. For every dollar committed from the grant program, 5.0 dollars were obtained from other sources.

Grant Expenditures vs. Funds Leveraged



- Created/retained 766 jobs through infrastructure projects.

Jobs Created/Retained



Business Results – Division of Regional Development

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The customer satisfaction scores for the Office of Local Government are:



Business Results – Division of Regional Development

South Carolina Energy Office

Mission: The mission of the S.C. Energy Office is to increase efficiency in the use of all energy resources in all consuming sectors of the state and, to the extent practical, to maximize environmental quality and minimize the cost of energy use. This supports the mission of the Budget and Control Board to improve the functioning of technology, to improve the effectiveness of services offered and to provide technical expertise to the various agencies of state government and the public.

Name: Rebuild South Carolina (RBSC)

Cost:	State:	\$	0
	Other:		0
	Federal:	\$	225,466
	Total:	\$	225,466

Goals: To reduce combined energy costs and consumption in public buildings.

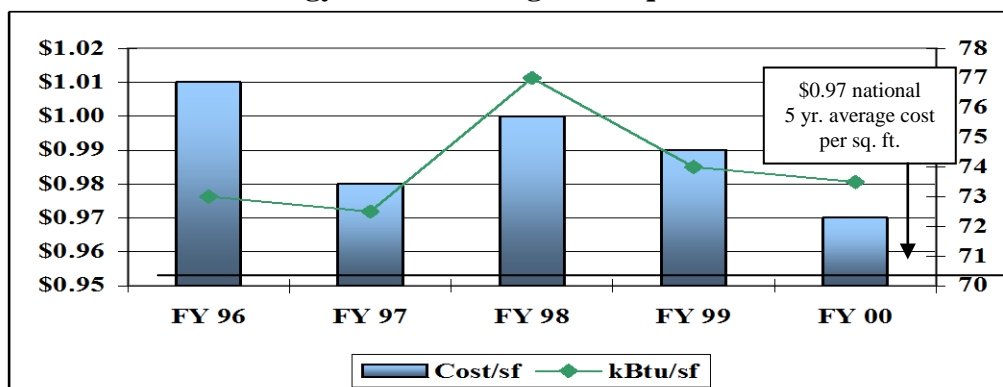
Objectives:

1. To reduce the energy *cost* per square foot in **3475** monitored public buildings by 3 percent per year.
2. To reduce the energy *use* per square foot in **3475** monitored public buildings by 5 percent per year.
3. To increase the *total* amount of dollar energy savings in **3475** public buildings by 10 percent per year.

Key Results:

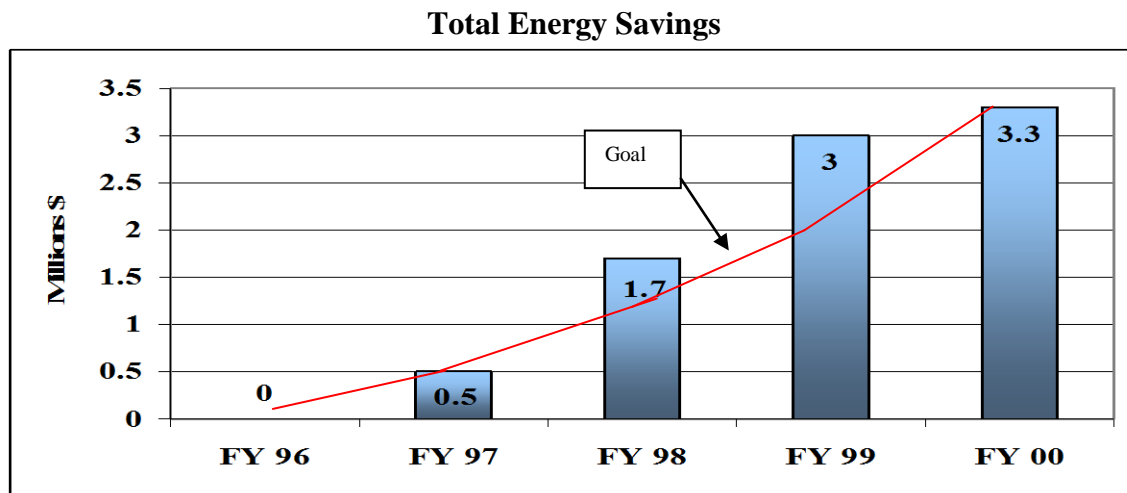
1. Reduced energy *cost* per square foot by 2.0 percent this FY.
2. Reduced energy *use* per square foot by 2.7 percent this FY.

Energy Cost and Usage Per Square Foot



Business Results – Division of Regional Development

3. Increased *total* energy savings by 10 percent for a total of **\$3.3** million.



Business Results – Division of Regional Development

Name: Public Information Outreach Program

Cost: State: \$
Other:
Federal: \$ 12,550
Total: \$ 12,550

Goals: To increase public awareness of the importance of energy efficiency.

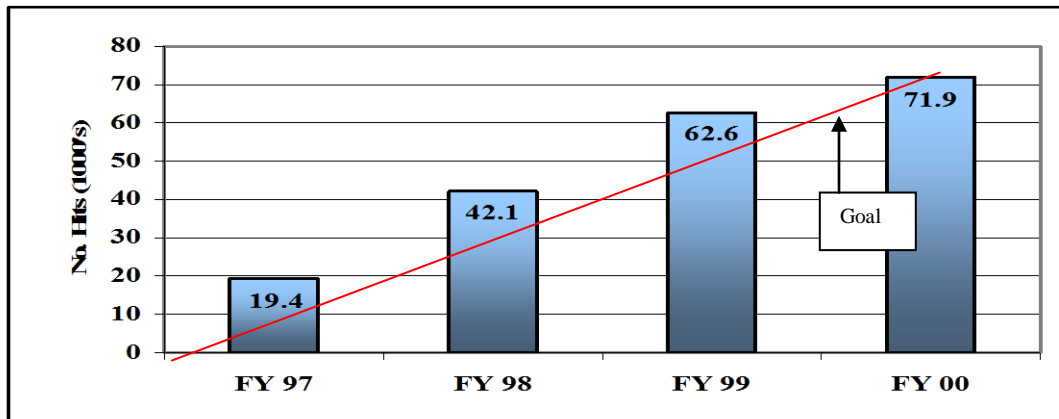
Objectives:

1. To increase the distribution of the *Energy Connection* newsletter by 10 percent per year.
2. To increase the activity of the Office's Internet site by 15 percent per year.

Key Results:

1. Increased *Energy Connection* distribution by 37 percent since FY 96.
2. Increased Internet web site usage by 15 percent this fiscal year.

Total Internet Web Site Hits



Business Results – Division of Regional Development

Name: **Alternative Fuel Vehicles/Clean Cities Program**

Cost: State: \$
 Other:
 Federal: \$109,309
 Total: **\$109,309**

Goals: To evaluate and encourage the use of alternative fuel vehicles as per the U.S. Department of Energy's Clean Cities program.

Objectives:

1. To double the number of alternative fuel vehicles in South Carolina to 2,700.
2. To monitor the fuel consumption and maintenance costs for 3 compressed natural gas vehicles owned by the City of rock Hill and 3 owned by the City of Greenville.
3. To develop a seminar series on Electric Vehicles as per a DOE grant.

Key Results: This is the first year of this program. Results will be reported next year.

Business Results – Division of Regional Development

Name: **Renewable Energy**

Cost: State: \$
 Other:
 Federal: \$ 70,672
 Total: **\$ 70,672**

Goals: To increase the number of renewable energy projects in the state including landfill-to-gas, biomass, solar, and geothermal projects and to measure their impact on energy costs and usage.

Objectives: To increase the use of renewable energy in the state by 5 – 7 percent each year.

Key Results: This is the first year of this project. Results will be reported next year.

Business Results – Division of Regional Development

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The customer satisfaction scores for the State Energy Office are:



Business Results – Division of Regional Development

Office of Regional Development

Name: **Infrastructure Planning**

Cost: State: \$343,501
 Federal: \$ 72,631
 Other: \$ _____
 Total: **\$416,132**

Goals: To develop and maintain a statewide planning mechanism that supports intergovernmental coordination and cooperation in the development of infrastructure and land use policies at the state, regional and local government levels.

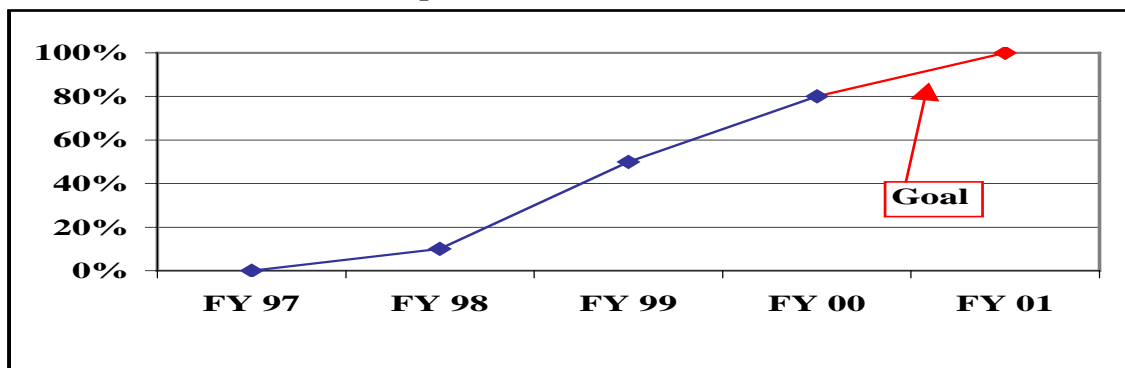
Objectives:

1. To prepare and annually update the statewide infrastructure plan.
2. To identify, undertake and advance initiatives for strengthening long-term infrastructure and land use planning.
3. To respond to 100 percent of requests for technical and educational assistance with a desired outcome of high levels of customer satisfaction.

Key Results:

1. The infrastructure plan is 100% complete and updated.
2. Successfully completed 80 percent of identified initiatives for strengthening long-term infrastructure and land use planning. These include:
 - Assistance to Senate sponsored Growth Study Task Force
 - Local government planning guide for energy conservation
 - Startup of a Federal transportation grant
3. Successfully responded to all requests (30) for technical and educational assistance. Success is measured by the Office's customer satisfaction rating of 29 percent satisfied and 71 percent very satisfied.

Percent Completion of Infrastructure Initiatives



Business Results – Division of Regional Development

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very unsatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The customer satisfaction scores for the Office of Regional Development are:



Business Results – Office of the Executive Director

Office Of General Counsel

Name: Office of General Counsel

Cost: State: \$
Federal:
Other: \$ 799,730
Total: \$ 799,730

Mission: The mission of the Office of General Counsel is to provide effective and efficient legal services to the Budget and Control Board, its Offices, programs and employees. The seven attorneys and three support staff are responsible for handling litigation and providing both routine and specialized legal services in the areas of administrative law, contracts, insurance, employee benefits, retirement, technology, public finance, procurement, intellectual property and telecommunications. This is in alignment with the mission of the Board to provide centralized, professional support to the various bodies of state government.

Goals: To provide highest quality and effective legal services in an efficient manner for the Budget and Control Board, its Offices and programs.

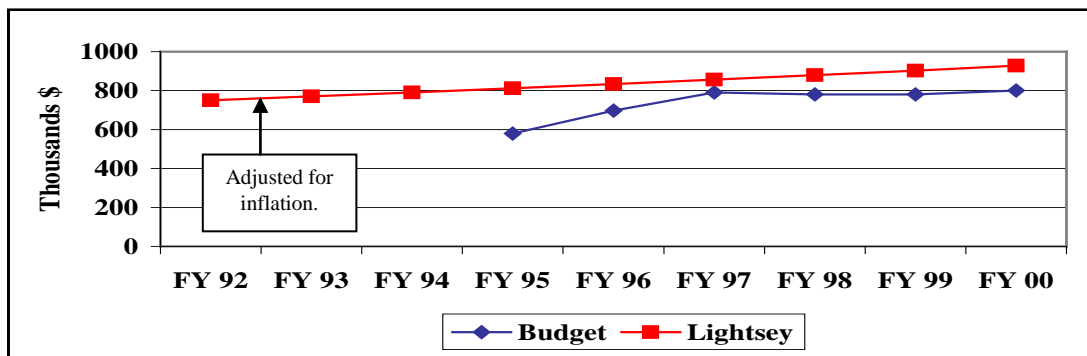
Objectives:

1. To provide legal services within a budget of \$750,000 as recommended by the 1992 Lightsey Report (in 1992 dollars).
2. To provide legal services at an hourly rate between \$10 and \$25 per attorney hour less than the private sector, as recommended by the Lightsey Report.

Key Results:

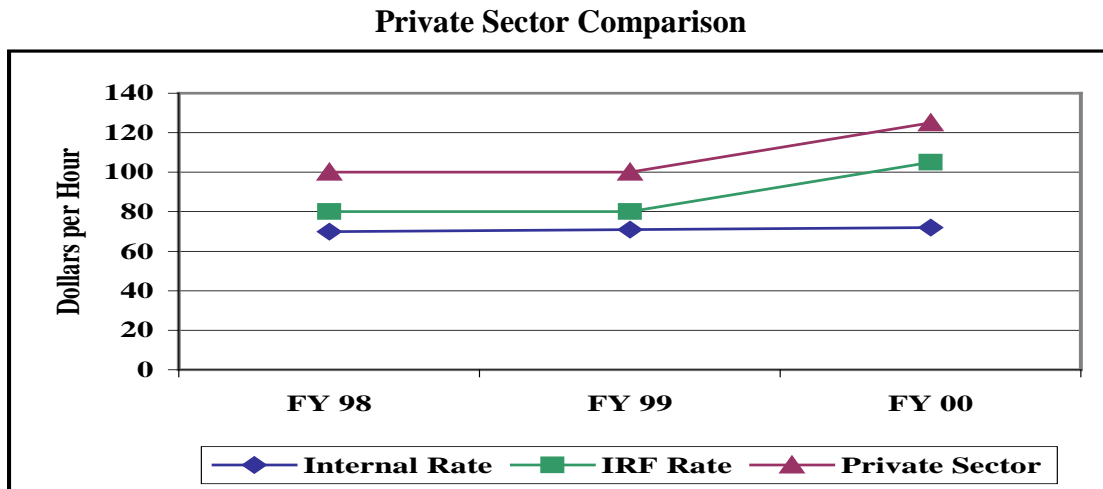
1. Provided legal services at a total cost of \$799,730; sixteen percent below the Lightsey recommendation which is \$928,161 when adjusted to FY 2000 dollars (using an average inflation rate of 2.7 percent).

Cost Containment



Business Results – Office of the Executive Director

2. Provided legal services at an hourly rate between \$33 and \$53 per attorney hour less than the private sector.



3. A comprehensive customer survey of office directors, division directors, program managers and the Executive Director's office indicated complete satisfaction with the General Counsel's responsiveness, timeliness, dependability and empathy. There were no negative comments.

Business Results – Office of the Executive Director

Office Of Internal Operations

Mission: The mission of the Office of Internal Operations is to provide administrative support functions for the Budget and Control Board in the areas of Accounting, Budgeting, Procurement, Internal Audit and Personnel. These functions are carried out within the context of the mission, vision and core values of the South Carolina State Budget and Control Board.

Name: Finance

Cost:

State:	\$ 856,921.06
Federal:	
Other:	\$ 571,607.98
Total:	\$ 1,428,529.04

Goals: To maintain an accounting and financial reporting system that is both responsive to the needs of the Budget and Control Board and assures compliance with recognized standards of accountability, as well as applicable laws, regulations and policies; and to safeguard the assets of the Budget and Control Board through the use of a system of appropriate internal controls.

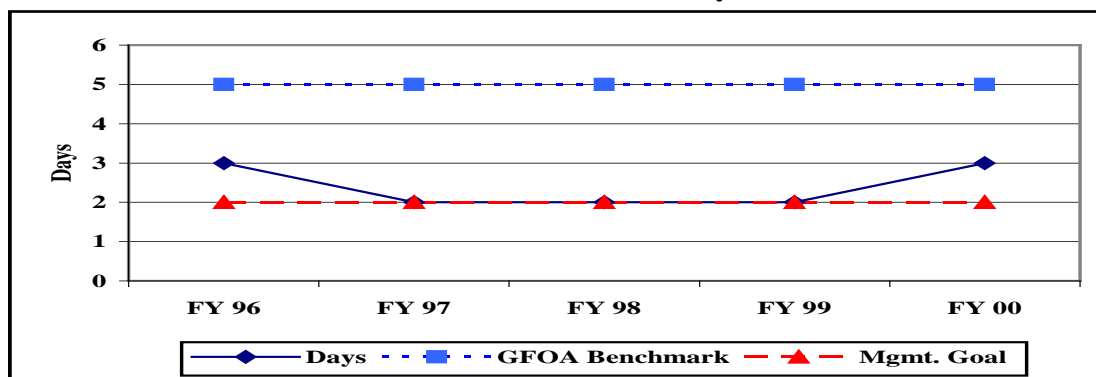
Objectives:

1. To maintain a cycle time of not more than five working days to process accounts payable transactions (GFOA benchmark).
2. To increase the number of procurement cards in use to 100 by FY 2001, decreasing the volume of manual purchase orders processed.

Key Results:

1. One hundred percent of accounts payable transactions were processed within the established benchmark.

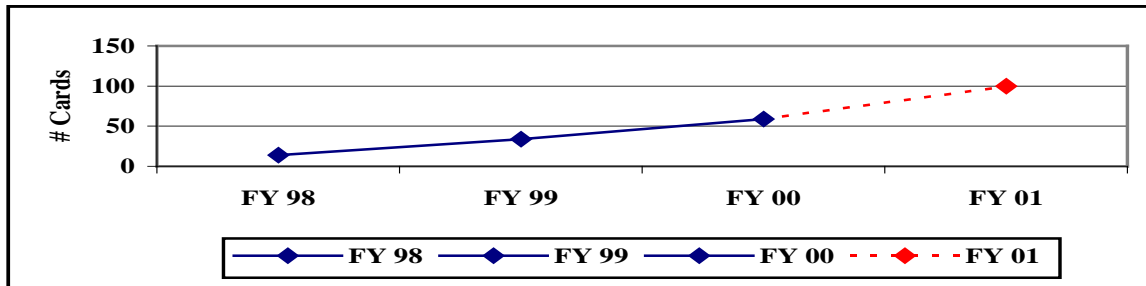
Median Time to Process Accounts Payable Invoices



Business Results – Office of the Executive Director

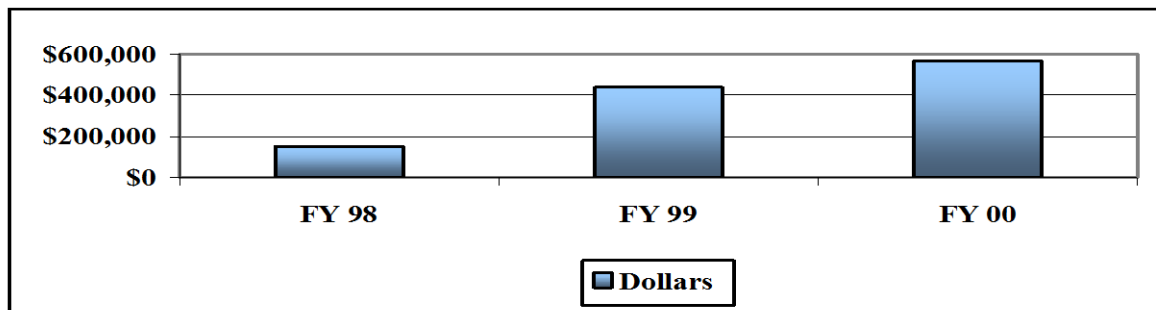
2. Procurement cards outstanding increased 143 percent in FY 99 and an additional 74 percent in FY 00. The large increase in FY 99 was due to the completion of a limited pilot program in FY 98 and commencement of operational use in FY 99.

Procurement Cards Outstanding

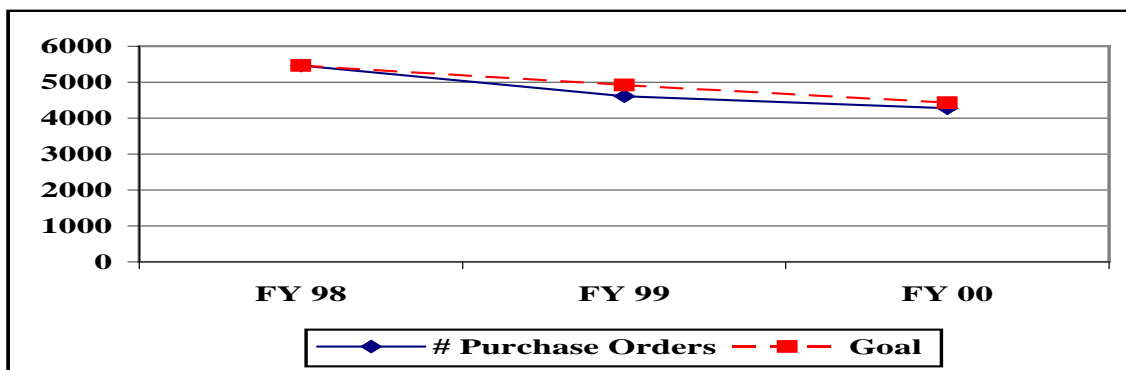


In association with an increase in the number of procurement cards in use, the amount of procurement card expenditures increased and the number of total purchase orders decreased. The goal is to decrease the number of purchase orders by 10 percent per year.

Procurement Card Expenditures



Purchase Order/Direct Purchase Order Volume



Business Results – Office of the Executive Director

Name: Budget

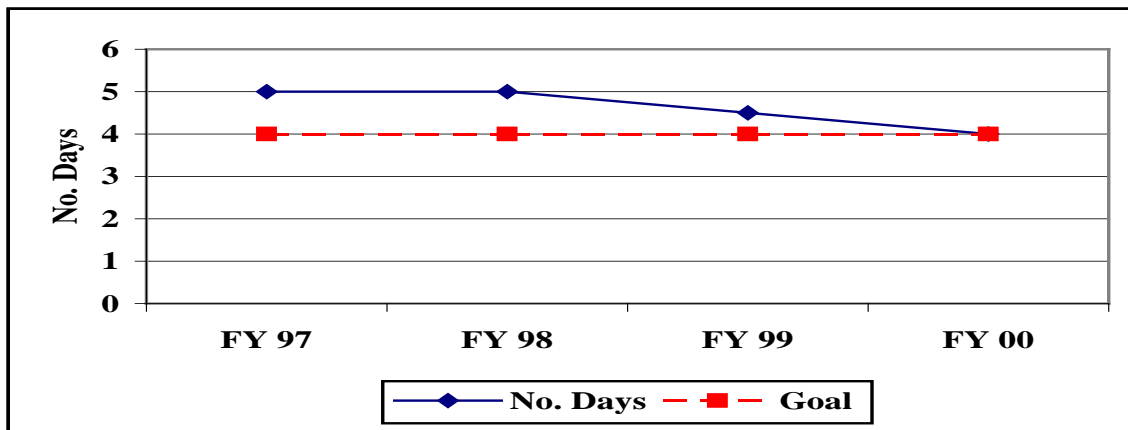
Cost: State: \$218,631
Federal:
Other: \$
Total: \$218,631

Goals: To provide budget management assistance for programs for the board by planning and organizing budget activities in a manner that provides accurate and meaningful budget data to program management.

Objectives: To furnish budget and financial information to Board management on a timely basis with 100 percent accuracy; and to process budget transfers that require processing by the State Budget Office and the Comptroller General within 4 business days of time of receipt.

Key Results: Achieved a 4-day processing time in FY 2000.

**Average No. Days to Process Appropriation Transfer Requests
(Includes State Budget Review)**



Business Results – Office of the Executive Director

Name: Personnel Services

Cost: State: \$404,295
 Federal:
 Other: _____
 Total: \$404,295

Goals: To provide effective and efficient human resource services to the Divisions, Offices and employees of the consolidated Budget and Control Board; and to provide the citizens of South Carolina open and equal access to employment opportunities within the Board.

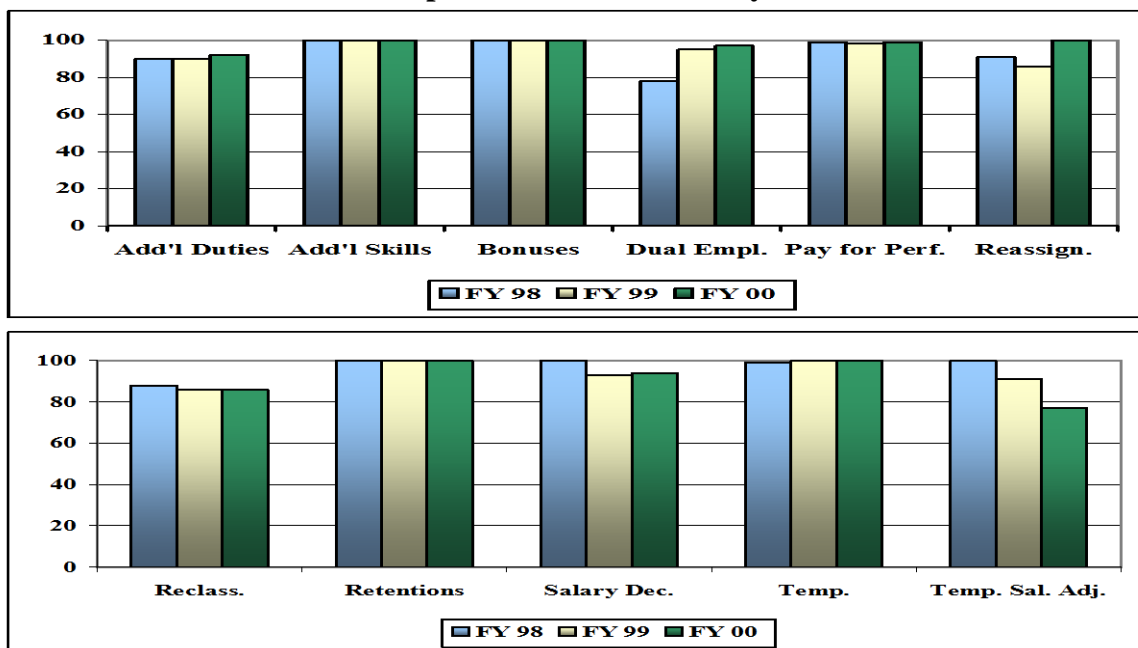
Objectives:

1. To process all classification and compensation actions within a 3-day period from receipt of request to completion of action.
2. To reduce the workdays required to fill a position to 25 days.
3. To increase the number of applicants available for vacancies in the information technology area.

Key Results:

1. Ninety-five percent of all classification and compensation actions are being processed within the 3-day management goal. The feasibility of improving this goal to 2 days is currently being reviewed.

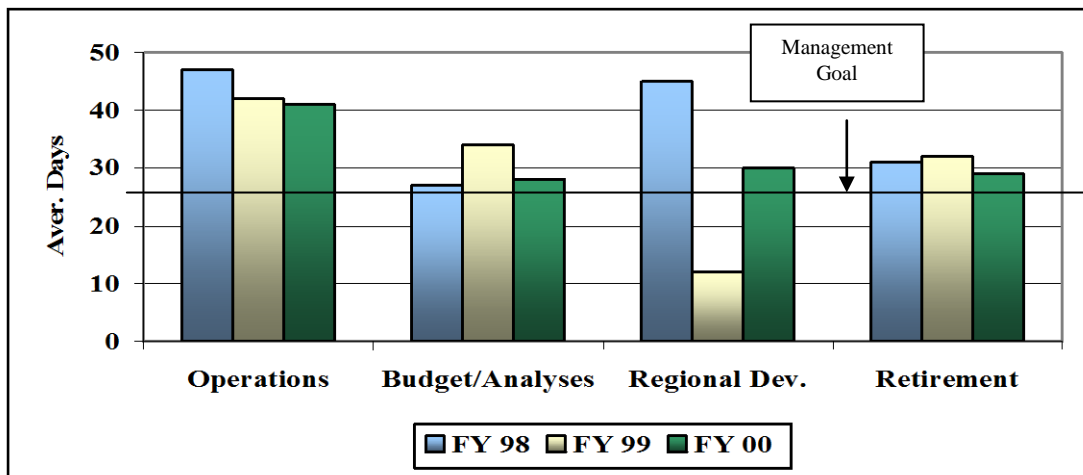
Percent of Classification and Compensation Actions Completed Within Three Days



Business Results – Office of the Executive Director

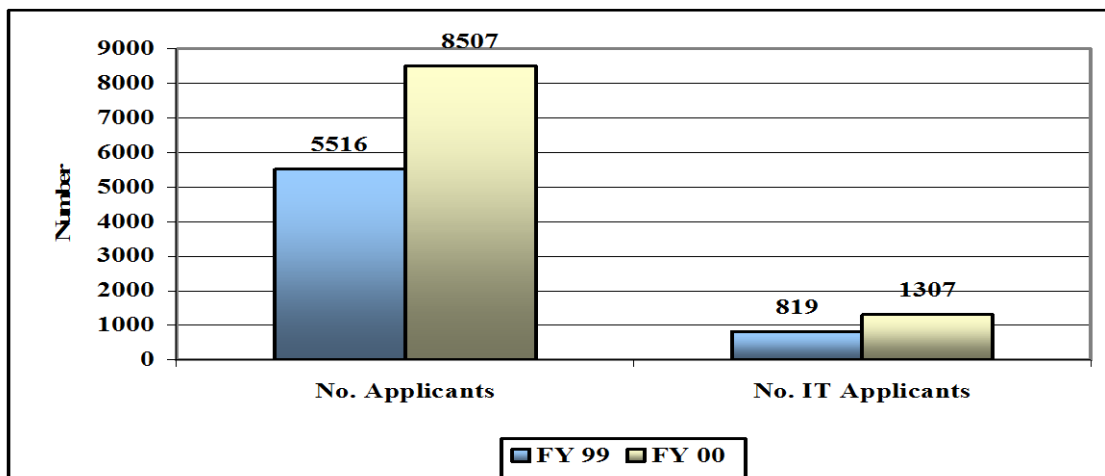
2. Reduced the time to fill a position to an average of 32 days across all Divisions of the Board, a reduction of 3 days from the previous year. The larger amount of time to fill vacancies in the Division of Operations is due to the high demand and limited supply of information technology specialists for the Office of Information Resources.

Average Time to Fill a Vacancy



3. From FY 99 to FY 00 total applications received by the Personnel Services section increased by 54 percent and the total number of applicants for information technology positions increased by 60 percent. The use of the Internet for posting jobs is the primary reason for this increase.

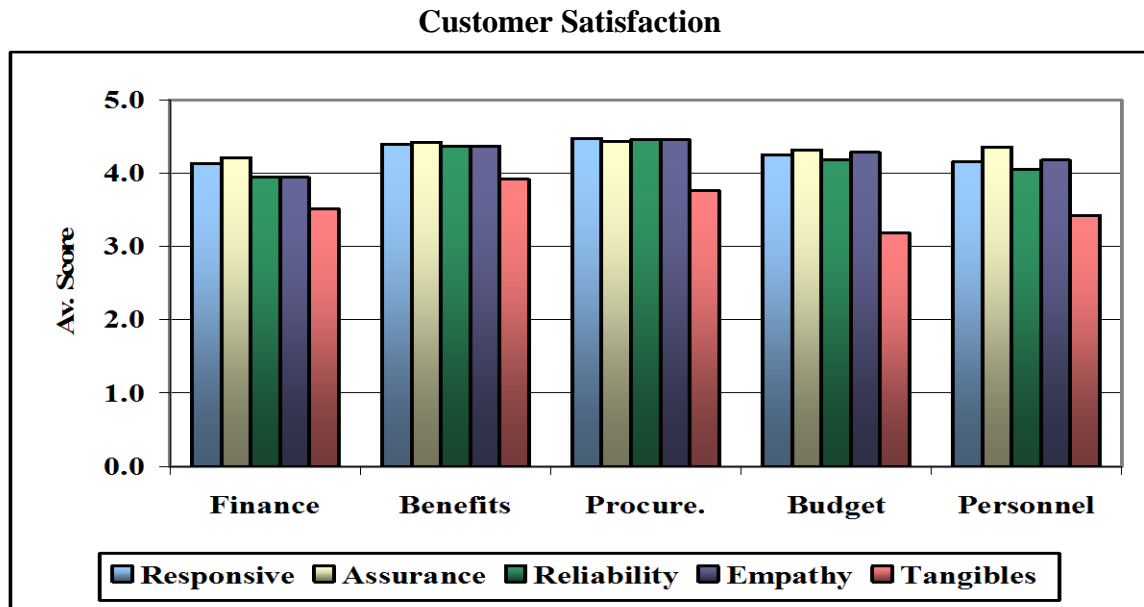
Number of Applicants



Business Results – Office of the Executive Director

Customer Satisfaction

Customer satisfaction scores range from 1.0 (very dissatisfied) to 5.0 (very satisfied) with 3.0 being neutral. The satisfaction scores for the work units of the Office of Internal Operations are:



While the “Tangibles” dimension of customer satisfaction scored above average in all work units, it was ranked somewhat lower than were the other dimensions. This dimension addresses customer satisfaction with the forms, documents and other written materials originated by the Office of Internal Operations. The score indicates that this area may be a candidate for process improvement investigations.

Business Results – Office of the Executive Director

Executive Institute

Name: Executive Institute

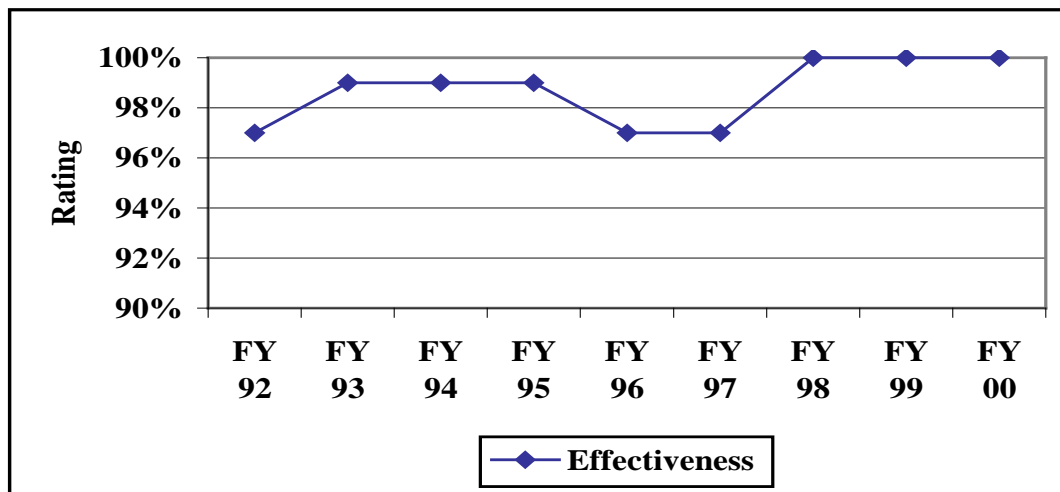
Cost: State: \$358,733
Federal:
Other: 52,743
Total: \$411,476

Goals: To design and deliver executive education programs that will enhance the quality of public management by providing senior executives the tools to facilitate better management and leadership skills.

Objectives: To attain and maintain a 100 percent effectiveness rating for the Executive Institute based on annual alumni evaluation surveys.

Key Results: Maintained a 100 percent overall effectiveness rating of the Executive Institute based on annual alumni surveys.

Effectiveness Rating



Business Results – Office of the Executive Director

Authorities**State Educational Assistance Authority**

The members of the State Budget and Control Board, *ex officio*, comprise the State Educational Assistance Authority. The Authority was created in 1971, as provided in Sections 59-115-10, and following, of the 1976 Code of Laws, as amended. The Authority is authorized to issue revenue bonds which are repaid from fees, charges, interest and premiums collected from making, insuring or guaranteeing loans to students pursuing a post-secondary education at eligible institutions. At the end of 1999-2000, the following Authority bonds were outstanding:

Issued	Original Amount	Retired	Outstanding As of 6-30-00
1990	48,400,000	48,400,000	0
1991	46,990,000	46,990,000	0
1992	62,280,000	31,975,000	30,305,000
1993	99,495,000	36,760,000	62,735,000
1994	86,845,000	11,110,000	75,735,000
1995	62,055,000	7,045,000	55,010,000
1998	49,850,000		49,850,000
1999	67,300,000		67,300,000
2000	59,050,000		0
Total	<u>\$582,265,000</u>	<u>\$182,280,000</u>	<u>\$399,985,000</u>

Business Results – Office of the Executive Director

Educational Facilities Authority

The Educational Facilities Authority for Private, nonprofit Institutions of Higher Learning, the membership of which is the State Budget and Control Board, *ex officio*, was created in 1969. Its purpose is to assist private nonprofit educational institutions in the construction and financing of facilities. Bonds of the Authority outstanding at the end of 1999-2000 are shown below:

Institution	Dated	Original	Outstanding	
		Amount	Retired	As of 06-30-00
Columbia College	1975	\$ 1,000,000	\$ 1,000,000	\$ 0
Morris College	1983	1,500,000	596,000	904,000
Wofford College	1994A	4,000,000	2,800,000	1,200,000
Wofford College	1994B	859,000	259,679	599,320
Benedict College	1995	18,280,000	1,790,000	16,490,000
Converse College	1996	4,400,000	155,000	4,245,000
Furman University	1996A	24,000,000	2,940,000	21,060,000
Furman University	1996B	12,000,000	0	12,000,000
Claflin University	1997	\$ 5,780,000	\$ 855,000	\$ 4,925,000
Morris College	1997	6,700,000	0	6,700,000
Coker College	1998A	2,500,000	438,339	2,061,661
Coker College	1998B	1,600,000	400,000	1,200,000
Presbyterian Col.	1998	11,630,000	0	11,630,000
Furman University	1999	10,365,000	0	10,365,000
Anderson College	1998A	3,455,000	10,000	3,445,000
Anderson College	1998B	1,285,000	0	1,285,000
Anderson College	1998C	3,870,000	0	3,870,000
Total		\$113,224,000	\$11,244,019	\$101,979,981

Business Results – Office of the Executive Director

South Carolina Resources Authority

The South Carolina Resources Authority was created in Act 682 of 1988. The General Assembly found "...a definite need for additional sources from which to finance the present and future needs of the people of South Carolina for the undertakings authorized by this act..." (which are water supply and wastewater projects of "other projects committed to the Authority by subsequently enactment of the General Assembly"). The Authority was declared by the General Assembly to be a body politic and corporate and a public instrumentality of the State. Authority membership consists of members of the State Budget and Control Board, sitting *ex officio*. The General Assembly, in Act 525 of 1994, repealed Title 11, Chapter 37 of the South Carolina Code of Laws (Act 682 of 1988), when all bonds issued by the South Carolina Resources Authority are retired. Act 525 of 1994 establishes the South Carolina Infrastructure Facilities Authority.

At the end of 1999-2000, the following Authority bonds were outstanding:

Issued	Original Amount	Retired	Outstanding As of 06-30-00
1989	\$ 16,810,000	\$12,720,000	\$ 4,090,000
1990	25,980,000	12,015,000	13,965,000
1991	7,940,000	1,835,000	6,105,000
Total	<u>\$ 50,730,000</u>	<u>\$26,570,000</u>	<u>24,160,000</u>

Business Results – Office of the Executive Director

State Water Quality Revolving Fund Authority

Act 513 of 1992 repealed Chapter 6 of Title 48 which provided the authority under which the Budget and Control Board, Office of Local Government had developed and administered the financial functions of the State Water Pollution Control Revolving Fund since 1987 and established the State Water Quality Revolving Fund Authority to administer the revolving fund and the loans made from the fund and to provide additional financing in the future to local governmental units for the purpose of providing projects.

Infrastructure Facilities Authority

The South Carolina Infrastructure Facilities Authority Act, Chapter 40 of Title II, created the South Carolina Infrastructure Facilities Authority, composed of the members of the State Budget and Control Board, and the South Carolina Infrastructure Revolving Loan fund to provide low-interest loans for the construction of publicly owned water and sewer facilities that address environmental, growth and economic development needs throughout the State, with a particular focus on those communities where access to private financing may not be readily available or affordable. Staff and assistance to the Authority in its functions is provided by the Office of Local Government. The Authority adopted the South Carolina Infrastructure Facilities Authority program design and major policies for the South Carolina Infrastructure Revolving Loan Fund and authorized the Office of Local Government to perform certain functions on behalf of the authority, including administering the Fund in accordance with the Program Design and Major Policies adopted by the Authority making loans from the Fund, entering into loan agreements, disbursing funds, collecting repayments, and taking such other actions on behalf of the Authority as is permitted by the Act in order to ensure proper administration of the Fund.

Information concerning Fund activity is provided in the Office of Local Government section of this report.

Business Results – Office of the State Auditor

Office of the State Auditor

Mission: The mission of the Office of the State Auditor is to serve as a deterrent to fiscal mismanagement, fraud, and misuse of assets by state agencies and providers of Medicaid services, and to provide audit coverage of those entities as required by law or regulation.

Name: **Audit Program – State Agencies**

Cost: State: \$2,590,469
Federal:
Other:
Total: \$2,590,469

Goals: To examine, as required by law, at least once each year the books, accounts, receipts, disbursements, vouchers and records of all State officers charged with the receipt and expenditure of public funds and of all State educational, charitable and penal institutions for which the State contributes support; to report non-compliance with laws and regulations, and to create a deterrent to fraud and poor financial management; and, upon request, to provide technical assistance to other governmental entities by reviewing financial records and systems of organizations alleged to have financial problems of a management or criminal nature.

Objectives:

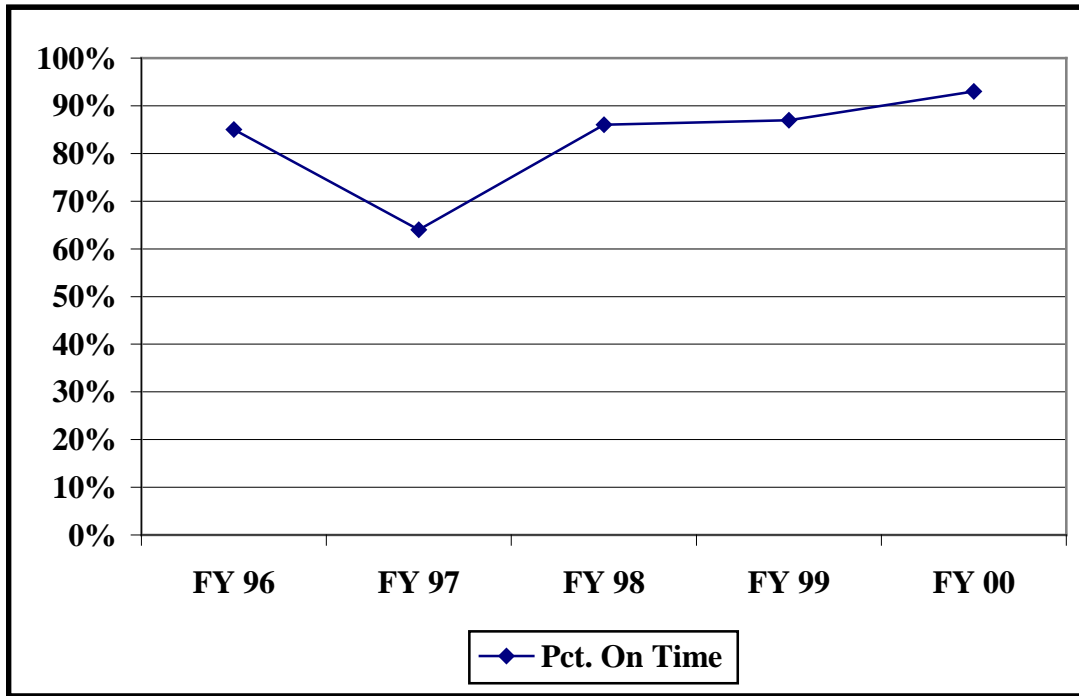
1. To provide adequate audit coverage of state agencies and audit, each year, agencies where annual audits are required by law, completing all audits within 14 months of fiscal year end.
2. To audit the State's General Purpose Financial Statements prepared by the Comptroller General each year by December 1.
3. To audit the State's Schedule of Expenditures of Federal Awards each year by March 31.
4. To respond to all requests for technical assistance in reviewing financial records when allegations of wrongdoing are made or alleged.

Key Results:

1. Completed 93 percent of the audits scheduled and required by law within 14 months of fiscal year end.
2. Completed the State's General Purpose Financial Statements audit on schedule by December 1.
3. Completed the State's Schedule of Expenditures of Federal Awards Audit on schedule by March 31.
4. Provided technical assistance with review of financial records on two cases involving allegations of wrongdoing.

Business Results – Office of the State Auditor

State Audits Completed On Time



Business Results – Office of the State Auditor

Name: Audits Program – Medicaid

Cost: State: \$1,409,085
Federal:
Other:
Total: \$1,409,085

Goals: To provide adequate audit coverage of approximately 180 participating Medicaid providers in accordance with law which requires periodic audits of the financial and statistical records of these providers; to identify overpayments of State and Federal Medicaid funds, allowing the Department of Health and Human Services to recoup the funds and in so doing, to deter Medicaid providers from making future claims for similar costs.

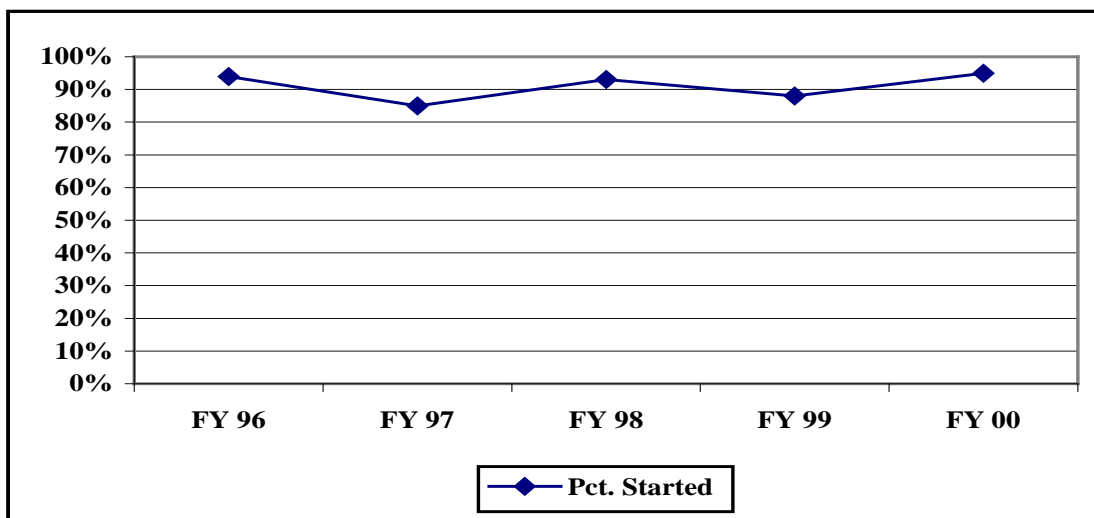
Objectives:

1. To audit 62 Medicaid providers each year.
2. To identify overpayments of State and Federal Medicaid funds for recoupment.

Key Results:

1. Commenced 95 percent of planned audit engagements for the fiscal year.

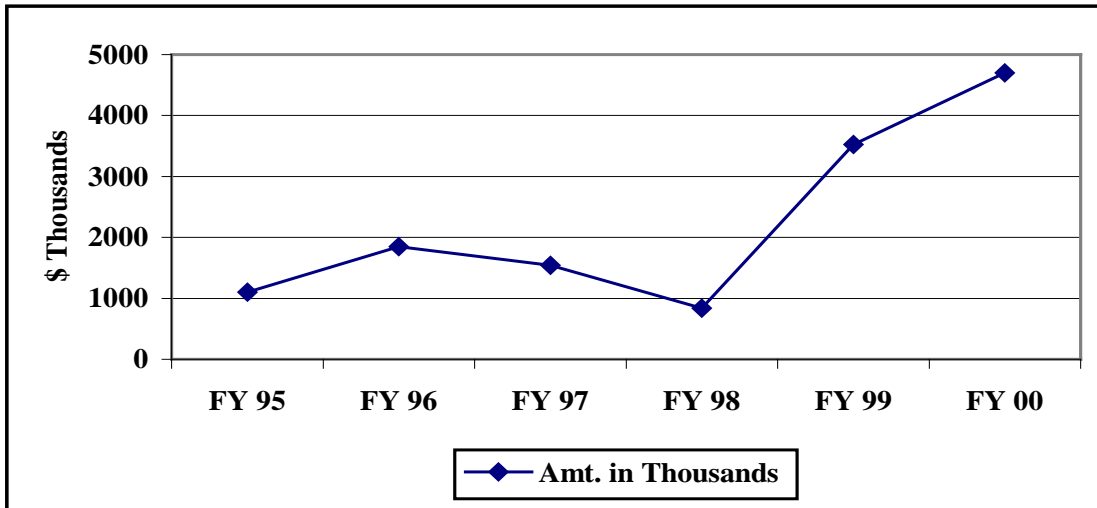
Medicaid Audit Engagements Started/Scheduled



Business Results – Office of the State Auditor

2. Identified \$4.78 million of Medicaid overpayments, which is subject to recovery from Medicaid providers by DHHS.

Overpayments Identified by Medicaid Audits



Business Results – Office of the State Auditor

Name: **Hotline**

Cost: State: \$ 979
 Federal:
 Other: _____
 Total **\$ 979**

Goals: As specified by law, to maintain a Fraud Hotline and provide statewide toll-free telephone service for citizens to report incidences of waste, fraud, misuse and abuse of funds.

Objectives: 1. Maintain a 24 hour toll-free Fraud Hotline.
 2. Initiate appropriate actions on all Hotline calls.

Key Results: 1. The Hotline was operational 24 hours a day, 7 days a week for the entire fiscal year.
 2. Appropriate action was taken on 100 percent of calls.